

WASHINGTON 25, D. C.

August 18, 1954

TO: ALL COMMISSION EMPLOYEES

FROM: John W. Macy, Jr. *jem*

As you may know, the President recently signed into law the Federal Employees Group Life Insurance Act of 1954 (Public Law 598). This law, which is part of the President's program for Federal employees, makes available to you life insurance at a very reasonable cost and without a medical examination.

I know you will want to know more about this insurance and so I am sending to you in this memorandum a list of answers to questions about it.

Within the next week or so, you will be asked to decide whether you want to take advantage of this benefit. The information in this memorandum will help you in making this decision and will also help you to answer questions concerning the insurance which others may ask you.

General Answers to Questions on Group Life Insurance  
Plan for Federal Civilian Employees

Q. What are the principal features of the new group life insurance plan for Federal employees?

A. Here are the highlights of the plan:

- With few exceptions, all Federal civilian employees will be eligible to participate.
- The plan will provide for low-cost life insurance without a medical examination and with payment of double indemnity for accidental death and payment for accidental loss of eyesight or one or more limbs (dismemberment).
- Eligible employees will be automatically covered unless they specifically state in writing that they do not want the insurance.
- The cost will be shared by employees and the Government. The employee will pay 25 cents per \$1,000 of insurance each bi-weekly pay period, until he reaches age 65, after which he will pay nothing. If he is paid on other than a bi-weekly basis, the cost will be proportionate. (See Insurance Schedule on page 6.) The Government will help to pay the cost of this insurance by contributing half as much as the employee.
- Each employee who participates will be insured for an amount approximating his annual salary to the nearest upper thousand. For example, an employee earning \$3,200 per year will be insured for \$4,000. An employee earning more than \$4,000 but not over \$5,000 will be insured for \$5,000, and so on.

- Employees 65 years of age or older will be insured free, but in reduced amounts.

- Employees who retire will continue to be covered by the life insurance provisions without cost to them — but their coverage will be reduced.

Participation

- Q. Who will be eligible to participate in this program?
- A. All Federal civilian employees in the executive, legislative, and judicial branches and employees of the District of Columbia Government will be eligible to participate except: (1) non-citizens stationed overseas, (2) employees serving in certain corporations under the supervision of the Farm Credit Administration, and (3) employees excluded by the Civil Service Commission (after consultation with agencies) because of conditions of employment, such as seasonal, intermittent, or part-time employment.
- Q. Will employees in hazardous occupations be excluded?
- A. An employee will not be excluded solely on the grounds that he is engaged in a hazardous occupation.
- Q. Will Members of Congress be eligible?
- A. Yes -- Members of Congress, cabinet officers, judges --all will be eligible.
- Q. Will there be any bar to participation because of physical condition, age, or sex?
- A. No. However, if an employee declines insurance, and later wants to participate, he will have to wait one year and then produce evidence of insurability -- through a medical examination. Also, when an employee declines to participate, he will not be eligible for insurance after he has reached the age of 50 years.
- Q. If both man and wife are employed by the Government, will both be eligible?
- A. Yes.
- Q. What about employees who participate, quit the Government, and later return?
- A. They will be eligible to participate upon their return just as though they had not been previously employed.
- Q. What must an employee do to participate in the program?
- A. Nothing. Eligible employees will be covered automatically, unless they state in writing that they do not want to be covered under the plan.
- Q. What about employees who are insured under group insurance policies through their unions or associations?
- A. Employees can participate in this program and continue the insurance purchased through unions and associations.

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- Q. Are employees who retired prior to the enactment of this program eligible?
- A. No.
- Q. When will coverage terminate?
- A. The insurance is discontinued on separation from service or 12 months after salary stops, whichever occurs first. However, the life insurance provisions are continued if an employee retires under any Federal retirement system on an immediate annuity, either for disability or after at least 15 years of civilian service.
- Q. Then employees who quit the Government will lose their coverage?
- A. That is correct. However, the life insurance will continue in effect for 31 days during which they have the right to purchase an individual life insurance policy at standard rates from insurance companies approved by the Government. No medical examination will be required.
- Q. What amount of insurance will the employee who leaves the Government be able to purchase under this provision?
- A. The same amount of his coverage while employed by the Government, or any lesser amount.
- Q. Will this right of purchase allow an employee to buy a policy which will give him all the benefits of his Government insurance, such as double payment for accidental death, payment for accidental loss of limbs, etc.?
- A. No. The right of purchase will be for the life insurance only, without double indemnity or dismemberment protection.

Amount of Insurance

- Q. For what amount will an employee be insured?
- A. At ages below 65 years, the insurance will be an amount that approximates his annual salary to the nearest upper thousand. If he makes more than \$2,000 a year, he will be insured for \$3,000. If he makes more than \$3,000 a year, he will be insured for \$4,000, and so on. (See Insurance Schedule on page 6.) If he is 65 years old or more, the face amount of his insurance will be reduced by 2 percent for each month after his 65th birthday anniversary until a reduction of 75 percent is reached. The remaining 25 percent will stay in effect.
- Q. Will an employee be able to carry less insurance than the amount to which he will be entitled?
- A. No, he must carry the full amount or none.

- Q. Will the amount of insurance to which an employee will be entitled change with his annual rate of salary?
- A. Yes, if the changes in the employee's annual rate of salary are sufficiently great. For example, if an employee earns \$3,200 when he enters the program, he is entitled to \$4,000 worth of insurance. If his salary goes over \$4,000 but not beyond \$5,000, he will be entitled to \$5,000 worth of insurance; if it drops to \$3,000 or below but not to \$2,000, he will be entitled to \$3,000 worth of insurance. The changes in coverage and salary deductions will become effective in the pay period in which the employee's salary rate changes.
- Q. When will this insurance be paid out to the employee or his survivor(s)?
- A. Upon death of the employee, the survivor(s) will be paid the face amount of the insurance. If the death is accidental, twice the face amount of the insurance will be paid. If the employee suffers accidental loss of one hand, one foot, or the sight of one eye, he will be paid one-half of the face amount. The total face amount will be payable to the employee for the loss of two or more such members or for the loss of sight of both eyes.
- Q. Must an employee name a beneficiary?
- A. No. Most employees will not find it necessary to designate a beneficiary. For those who do not, life insurance and accidental death benefits are payable in the following order of precedence: (1) widow or widower, (2) children, (3) parents, (4) estate, and (5) next of kin.

Payment for Insurance

- Q. How will an employee pay for this insurance?
- A. The cost to the employee will be deducted automatically from his pay check each pay period. (See Insurance Schedule on page 6.)
- Q. Will an employee be able to withdraw the money he has paid in at any time?
- A. No. His salary deductions will pay for his day-to-day insurance protection.
- Q. If an employee is 65 years or older when the program goes into effect, will deductions for insurance be made from his salary?
- A. No. He will receive the insurance without cost to himself.



- Q. Will an employee pay for his insurance after he retires?
- A. No. The life insurance will be free after retirement on an immediate annuity under any Federal retirement system, either for disability or after 15 years of civilian service. The double indemnity and dismemberment (loss of limb or eyesight) protection will stop.
- Q. What will be the total cost to the Government?
- A. It is estimated that the Government's cost will be about \$22,750,000 per year, assuming that at least 75 percent of the eligible employees decide to participate.
- Q. Is it possible that the cost of insurance for employees might increase?
- A. It would require a change in the law to increase the employee's rate of payment.
- Q. Will an employee be able to cancel this insurance later?
- A. Yes, at any time.
- Q. When will this plan go into effect?
- A. It is hoped that coverage of Commission employees will begin with the pay period which starts on August 29, 1954.

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## I N S U R A N C E   S C H E D U L E

	<u>If Annual Basic Salary</u>	<u>Amount of Insurance</u>	<u>Amount of Deductions per Pay Period</u>			
			<u>Weekly</u>	<u>Bi-Weekly</u>	<u>Semi-Monthly</u>	<u>Monthly</u>
Is Not More Than	\$1,000	\$1,000	\$ .13	\$ .25	\$ .27	\$ .54
"	2,000	2,000	.25	.50	.54	1.08
"	3,000	3,000	.38	.75	.81	1.63
"	4,000	4,000	.50	1.00	1.08	2.17
"	5,000	5,000	.63	1.25	1.35	2.71
"	6,000	6,000	.75	1.50	1.63	3.23
"	7,000	7,000	.88	1.75	1.90	3.79
"	8,000	8,000	1.00	2.00	2.17	4.33
"	9,000	9,000	1.13	2.25	2.44	4.88
"	10,000	10,000	1.25	2.50	2.71	5.42
"	11,000	11,000	1.38	2.75	2.98	5.96
"	12,000	12,000	1.50	3.00	3.25	6.50
"	13,000	13,000	1.63	3.25	3.52	7.04
"	14,000	14,000	1.75	3.50	3.79	7.58
"	15,000	15,000	1.88	3.75	4.06	8.13
"	16,000	16,000	2.00	4.00	4.33	8.67
"	17,000	17,000	2.13	4.25	4.60	9.21
"	18,000	18,000	2.25	4.50	4.88	9.75
"	19,000	19,000	2.38	4.75	5.15	10.29
Is above	19,000	20,000	2.50	5.00	5.42	10.83

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83d CONGRESS  
2d Session

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SENATE

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REPORT  
No. 1992GOVERNMENT EMPLOYEES FRINGE BENEFITS ACT  
OF 1954

JULY 28 (legislative day, JULY 2), 1954.—Ordered to be printed

Mr. CARLSON, from the Committee on Post Office and Civil Service,  
submitted the following

## REPORT

[To accompany H. R. 2263]

The Committee on Post Office and Civil Service, to whom was referred the bill (H. R. 2263) to authorize the Postmaster General to readjust the compensation of holders of contracts for the performance of mail-messenger service, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

## STATEMENT

The Senate Post Office and Civil Service Committee, in the interest of expediting fringe benefit legislation for Federal employees, unanimously voted to strike all after the enacting clause of H. R. 2263 and insert an amendment which appears in italic type in the bill as reported.

The provisions of the bill as reported are substantially the same as contained in S. 2665 which passed the Senate on April 28, 1954, and S. 3681 which passed the Senate on July 8, 1954, except that certain technical and clarifying amendments, and certain other amendments hereafter discussed, have been added to the bill as reported.

The bill, as reported, contains the following major provisions:

1. An increase in the number of positions in grades GS-16, GS-17, and GS-18 authorized under the Classification Act of 1949 from the present 400 to 550, designating that there shall not be more than 400 positions in grade 16 of the general schedule, not more than 115 positions in grade 17 and not more than 35 positions in grade 18.

2. Provides longevity salary step increases for employees in grades 11 through 15. These longevity steps are in the same amount as the present within-grade promotion steps except that for GS-15, which has within-grade promotion steps of \$250 each, each longevity step

increase will be \$200. No employee in grades GS-11 through GS-15 may count past service for more than one longevity-step increase under this bill.

3. Authorizes the Commission to use one of the within-grade salary steps as the minimum rate for any class of Classification Act jobs in an area whenever it is found a sufficient number of qualified eligibles cannot be secured at the existing minimum rate of grade and that such increase will secure sufficient eligibles.

4. Abolishes the crafts, protective, and custodial schedule of the Classification Act of 1949, as amended, and provides that such employees under this schedule be transferred to a local prevailing-wage rate system, or the general schedule of the Classification Act.

5. Modernizes and simplifies the overtime and premium compensation laws relating to Federal employees, including overtime compensation at 1½ times the regular rate of basic compensation not in excess of the top salary grade for GS-9 or the regular straight-time rate, whichever is greater; night differential at the rate of 10 percent of the regular rate of basic compensation; holiday pay (not overtime) at a rate equal to the regular pay in addition to such regular pay; standby time at appropriate rates determined by department heads with the approval of the Civil Service Commission (except for fire fighters) not in excess of 25 percent of the regular rate of basic compensation for GS-9; and extra pay at rates up to 15 percent of base pay for GS-9 for employees (such as criminal investigators and certain others) whose hours of duty cannot be controlled administratively and who must perform substantial quantities of irregular, overtime, or night duty. Fire fighters will receive the premium compensation benefits, but are not restricted by the 25-percent minimum. No premium pay may apply to raise the compensation of an individual to more than the maximum scheduled rate of GS-15.

6. Establishes a uniform and progressive Government employees incentive awards program which consolidates and codifies existing laws and places the responsibility and direction of such program under the Civil Service Commission.

7. Authorization for annual appropriations to provide a uniform allowance of a maximum of \$100 annually for those employees in the Federal Government and the government of the District of Columbia required to wear uniforms.

8. Provides for the lump-sum payment of current accrued annual or vacation leave to the survivors of a deceased employee.

9. Provides low-cost group life insurance to Federal employees in sums approximating their annual salaries.

10. A repeal of present law which restricts the number of permanent appointments, promotions, and transfers in the Federal service.

*Estimated costs*

Positions in GS-16, GS-17, and GS-18.....	\$260, 000
Longevity step increases.....	1, 585, 000
Transfer of CPC employees.....	36, 513, 000
Premium pay provisions.....	32, 500, 000
Group insurance.....	22, 750, 000
Uniform allowances.....	20, 000, 000

## GOVERNMENT EMPLOYEES FRINGE BENEFITS ACT OF 1954 3

## SUMMARY

The fringe benefits provided by this bill incorporate a substantial and important part of the administration's progressive personnel program. The provisions contained therein are the result of a careful analysis and a comprehensive review of the combined recommendations submitted to the committee in the form of extensive public hearings, committee studies, agency reports, and consultations with employee organizations.

The committee believes that the enactment of this bill will eliminate many of the existing inequities and greatly improve the personnel operations of the Federal Government. Therefore, the Senate Post Office and Civil Service Committee unanimously agreed to favorably report the bill to the Senate as amended in the committee.

## EXPLANATION OF THE PROVISIONS OF THE BILL AS AMENDED BY THE COMMITTEE

## TITLE I—AMENDMENTS TO THE CLASSIFICATION ACT OF 1949

*Number of positions in grades 16, 17, and 18 of the general schedule*

Section 101. This section relates to the number of positions authorized in grades 16, 17, and 18 of the general schedule of the Classification Act.

Subsection (a) of section 101 increases the number of positions authorized in grades 16, 17, and 18 of the general schedule (GS) from 400, now provided in the Classification Act, to 550. The additional 150 positions are apportioned among these grades in approximately the same ratio as currently provided in the Classification Act for the 400 such positions.

The total of 550 positions, specifically, are distributed as follows: Not more than 400 positions in GS-16; not more than 115 positions in GS-17; and not more than 35 positions in GS-18.

This section continues the provisions of the present law requiring (1) that positions may be placed in grades GS-16 or GS-17 only by action of, or with prior approval of, the Civil Service Commission, and (2) that positions may be placed in or removed from grade GS-18 only by the President upon recommendations of the Civil Service Commission.

This section also provides that the positions of senior specialists in the Legislative Reference Service of the Library of Congress may be in addition to the 550 positions authorized to be placed in GS-16, GS-17, and GS-18.

Subsection (b) of section 101 assures that the amendment made by the preceding subsection (a) shall not affect positions allocated to grades GS-16, GS-17, and GS-18 pursuant to provisions of law (other than the Classification Act of 1949, as amended) and reorganization plans in effect prior to the effective date of this section.

*Longevity step increases*

Section 102. This section relates to longevity step increases.

Subsection (a) (1) amends subsection (a) of section 703 of the Classification Act. The new language provides that, if an employee who has earned credit toward the required 3-year longevity period at the maximum rate or a longevity rate of his grade is changed to the

maximum or a longevity rate of a lower grade, the credit earned in the higher grade shall apply toward a longevity step increase in the lower grade. For example, an employee at the top scheduled rate of grade GS-9, with 2 years' service toward a longevity increase, is reassigned to a grade GS-7 position and placed at the top scheduled rate of grade GS-7. Under the provisions of subsection (a) (1) of section 102, he retains the 2 years' credit toward a longevity step increase in grade GS-7. Under present law, he has to begin his 3-year longevity period over again when he is reduced to grade GS-7.

Subsection (a) (2) amends section 703 (b) (1) of the Classification Act by authorizing longevity step increases for employees in grades 11 to 15 inclusive of the general schedule. Present law limits such increases to grades 1 through 10 of the general schedule and to all grades of the crafts, protective, and custodial schedule.

Subsection (b) of section 102 provides that these amendments will be effective at the beginning of the first pay period following the date of enactment of the bill.

Section 103. Subsection (a) amends section 704 of the Classification Act. It provides that, in the case of employees in grades 11 to 15 inclusive of the general schedule, not to exceed 3 years of service performed immediately prior to the effective date of the amendment at or above the maximum scheduled rates for their respective grades shall be counted toward longevity step increases. For grade GS-15, which has within-grade salary steps of \$250, longevity step increases are limited to \$200.

Subsection (b) of section 103 provides that this amendment will be effective at the beginning of the first pay period following the date of enactment of the bill.

*Recruitment above the minimum rate of the class*

Section 104. This section amends section 803 of the Classification Act. It relates to the recruitment of employees at salary rates above the statutory minimum rate for a class of positions when authorized, under certain conditions, by the Civil Service Commission. Under present law, each original appointment to any position under the Classification Act must be at the minimum per annum rate of the grade in which such position is classified.

Subsection (a) of the new section 803 of the Classification Act authorizes the Civil Service Commission to establish one of the within-grade salary step rates above the statutory minimum rate of the appropriate grade for any class of position as the minimum or entrance rate for such class of positions to be effective in any area or location wherein the Commission finds: (1) That a sufficient number of qualified eligibles for such class of positions cannot be secured at the existing minimum rate for such class, and (2) that there is a possibility of securing a sufficient number of such eligibles by so increasing the minimum rate for such class of positions.

Subsection (b) of section 803 of the Classification Act of 1949, as amended herein, authorizes the Civil Service Commission to revise, from time to time, such higher minimum rates as it may establish under subsection (a). Such rates or any revisions thereof established under subsection (a) have the force and effect of law.

Subsection (c) of the amended section 803 provides that any increase in rate of basic compensation under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of



section 701 (a) of the Classification Act (which relates to within-grade step increases).

*Exclusion from Classification Act of 1949 of crafts, trades, and labor positions and application of prevailing wage policy to such positions*

Section 105. Subsection (a) amends paragraph 7 of section 202 of the Classification Act. It removes from the coverage of that act employees in trades or crafts, or in unskilled, semiskilled, or skilled manual-labor occupations the duties of which involve the maintenance and operation of public buildings and associated equipment or the performance of work in scientific or engineering laboratories as aids to scientists or engineers, and other employees including foremen and supervisors in positions having trades, crafts, or laboring experience and knowledge as the paramount requirement. This section provides that the compensation of these employees shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates. Where, in the opinion of the employing agency and the Civil Service Commission, it is impracticable to so fix the rates because of the small number of these employees in any given area, the rates of compensation for such employees in that particular area shall be fixed at rates of compensation prescribed in the Classification Act of 1949 for positions of equivalent difficulty or responsibility. The effective date of this section is set forth in section 110 (a) of the bill.

Subsection (b) will permit the Architect of the Capitol to compensate employees in crafts and labor occupations, now in the crafts, protective, and custodial schedule, on the basis of prevailing wage rates.

*Transfer of certain positions from the crafts, protective, and custodial schedule to the general schedule*

Section 106. This section relates to the placement in the general schedule of those CPC positions which are not excluded from the Classification Act by section 105.

Subsection (a) of section 106 directs the conversion from the crafts, protective, and custodial schedule to the general schedule of those employees and positions which do not go to the prevailing wage system. It also converts the existing CPC grades into corresponding grades of the general schedule. Positions covered by this section in grades CPC-1, 2, and 3 are to be converted to grade GS-1 and such positions in grades CPC-4, 5, 6, 7, 8, 9, and 10 are to be converted to grades GS-2, 3, 4, 5, 6, 7, and 8, respectively. No conversion may be made prior to the first day of the second pay period beginning after the date of enactment nor later than the start of the first pay period beginning more than 6 months after such enactment date.

Subsection (b) of section 106 prescribes the specific rules for initially adjusting the basic compensation rates of employees in the crafts, protective, and custodial schedule who are placed in general schedule grades. The rules are as follows:

(1) Each employee paid at a rate of basic compensation in the crafts, protective, and custodial schedule which is less than the minimum scheduled rate of the grade in the general schedule in which his position is placed, shall have his compensation increased to such minimum rate;

(2) Each employee paid at a rate of basic compensation in the crafts, protective, and custodial schedule which is equal to one of the scheduled or longevity rates of the grade in the general schedule in which his position is placed, shall be paid at such scheduled or longevity rate;

(3) Each employee paid at a rate of basic compensation in the crafts, protective, and custodial schedule which is at a rate between 2 scheduled or 2 longevity rates, or between a scheduled rate and a longevity rate, of the grade in the general schedule in which his position is placed, shall be paid compensation at the higher of such 2 rates;

(4) Each employee paid at a rate of basic compensation in the crafts, protective, and custodial schedule which is in excess of the maximum longevity rate of the grade in the general schedule in which his position is placed, shall continue to be paid basic compensation without any change in rate until he either leaves such position or is entitled to receive basic compensation at a higher rate by reason of the operation of the Classification Act of 1949, as amended; but when such position becomes vacant the rate of basic compensation of any subsequent appointee shall be fixed in accordance with the Classification Act of 1949, as amended.

Subsection (c) provides that the conversion to the grades of the general schedule under this section, and the initial adjustments in compensation, shall not be construed to be transfers or promotion within the meaning of section 802 (b) of the Classification Act and regulations issued thereunder.

*Abolishments of crafts, protective, and custodial schedule*

Sections 107, 108, and 109 abolish the crafts, protective, and custodial schedule and make necessary revisions in the language of the Classification Act to effect that action. Section 107 provides for the continuation of the general schedule of basic compensation and deletes reference to the crafts, protective, and custodial schedule.

Section 108 deletes the grade-level definitions of the crafts, protective, and custodial schedule.

Section 109 deletes the crafts, protective, and custodial schedule of basic compensation and incidental references thereto.

Section 110 relates to effective dates of sections 105, 107, 108, and 109 of title I.

Subsection (a) provides that section 105 (the conversion of employees and positions to prevailing wage rate basis) shall be effective on the date or dates specified by the head of a department but not earlier than the beginning of the second pay period following enactment nor later than the start of the first pay period beginning more than 12 months after the enactment date.

Subsection (b) provides that, with respect to employees and positions in a given department, the crafts, protective, and custodial schedule shall be abolished effective upon the completion of the conversion of employees and positions to prevailing wage rate basis (sec. 105 and the conversion of the remaining employees and positions to the General Schedule (sec. 106)) but, in any event, not later than the first day of the first pay period beginning more than 12 months after the date of enactment of the act.

## GOVERNMENT EMPLOYERS FRINGE BENEFITS ACT OF 1954 7

*Miscellaneous provisions*

Sections 111 and 112 delete certain obsolete rules relating to the adjustment of salaries to the original pay scales of the Classification Act of 1949. One necessary section, a broad savings clause, is retained and changes are made in references thereto elsewhere in the act.

Section 113 authorizes the Commission to issue regulations for the administration of title I of the bill.

Section 114 is a general overall salary-saving provision. It provides that nothing in the title shall be construed to reduce the existing rate of basic compensation of any present employee, when, for example, he is changed from one schedule to another or from a scheduled rate of pay to a prevailing-rate basis, or by reason of any other provision of this title. When he vacates his position, the compensation of any subsequent appointee to it will be fixed in accordance with the regular scale of pay applicable to such position.

Section 115 provides that the term "department" shall have the same meaning in title I as when used in the Classification Act of 1949, as amended.

TITLE II--AMENDMENTS TO THE FEDERAL EMPLOYEES PAY ACT OF 1945,  
AS AMENDED

Section 201 of the bill provides that title II may be cited as the "Federal Employees Pay Act Amendments of 1954."

*Coverage*

Section 202 of the bill makes the coverage of the new title IV added by the bill to the Federal Employees Pay Act of 1945, as amended, the same as the coverage of the other premium-pay provisions of that act. Section 202 also repeals an obsolete subsection (subsec. (b) of sec. 101) of the Federal Employees Pay Act of 1945, as amended.

*Compensation for overtime work*

Section 203 of the bill amends section 201 of the Federal Employees Pay Act of 1945, as amended. The amended section provides overtime pay at a time-and-one-half rate for employees whose basic salaries do not exceed the maximum scheduled rate of grade GS-9, now \$5,810 per annum. For employees above that salary level such section 201, as amended, provides overtime pay at a rate equivalent to time-and-one-half at such maximum scheduled rate of grade GS-9, or at their respective rates of basic compensation, whichever is greater. The present provisions of section 201 of the act provide a time-and-one-half rate of overtime pay for employees whose basic salaries are less than \$2,980 per annum and a diminishing scale of overtime pay for employees whose basic salaries are \$2,980 or more per annum.

Section 204 of the bill amends the compensatory time off provisions of section 202 (a) of the Federal Employees Pay Act of 1945, as amended. A new provision gives agency heads the authority, which they do not now have, to require employees at salaries above the maximum scheduled rate of grade GS-9 to take compensatory time off instead of receiving overtime pay for irregular or occasional overtime duty. The amendment made by section 204 also continues existing authority for granting compensatory time off, at the request of an employee, in place of pay for irregular or occasional overtime work. In both instances, the time off so provided will compensate

the employee for an equal amount of time spent by him in irregular or occasional overtime work.

*Call-back overtime and time in travel status*

Section 205, subsection (a), redesignates section 203 of the Federal Employee Pay Act as section 205.

Subsection (b) adds two new sections, 203 and 204. New section 203 provides a minimum of 2 hours' pay at the overtime rate for any employee called back to perform unscheduled overtime work after he has gone home or on one of his days off duty. New section 204 enacts into law principles now established by decisions of the Comptroller General relating to time in a travel status away from the official duty station of an officer or employee. Such time in a travel status is treated as hours of employment only when (a) within the officer's or employee's regularly scheduled work-week, including regularly scheduled overtime, or (b) the travel involves the performance of work while traveling, or is carried out under arduous conditions having the effect of making it inseparable from work.

*Compensation for night and holiday work*

Section 206 amends the night-differential-pay provisions of section 301 of the Federal Employees Pay Act. The present 10 percent rate of night differential for regularly scheduled work between 6 p. m. and 6 a. m. remains the same. New provisions allow an employee whose regular tour of duty includes night work to be paid night differential for his regular night-work hours when he is excused from work because of a holiday, and for periods of leave with pay during any pay period in which such leave totals less than 8 hours. At present employees receive night differential only for the hours they actually work. This section also authorizes agencies to change the night differential period at overseas posts to the extent required to avoid paying night differential during hours that are customary hours of business in the locality.

Section 207 amends the holiday pay provisions of section 302 of the Federal Employees Pay Act. It continues the existing provision for extra pay at the straight-time rate, in addition to the regular rate, for work on a holiday within an employee's 40-hour basic workweek. It adds a new provision guaranteeing a minimum of 2 hours' pay at the holiday rate for any employee required to work on a holiday. It also states explicitly the present policy under the Federal Employees Pay Act, that overtime work on Sundays and holidays is compensated at the same rates as overtime work on other days.

*Special provisions for certain types of work*

Section 208, subsection (a), adds a new title IV to the Federal Employees Pay Act. Subparagraph (a) (1) of section 401 of the new title authorizes additional annual pay at rates up to 25 percent of base pay rates, in lieu of all overtime, night, and holiday pay, for employees performing standby duty and having longer than ordinary periods of duty.

Subparagraph (a) (2) of section 401 of the new title authorizes additional annual pay at rates up to 15 percent of base pay rates, in lieu of other pay for irregular or unscheduled overtime duty and for night and holiday duty, for employees whose hours of duty cannot be controlled administratively and who are required to perform substantial amounts of irregular overtime and night and holiday duty, with the employee generally being responsible for recognizing, without supervision, cir-

cumstances which require him to remain on duty. These employees would receive other overtime pay, computed in the usual manner, for regularly scheduled overtime work, officially ordered or approved. This subparagraph is specifically directed at those investigators of criminal activities whose positions meet all the conditions specified. It would permit similar payments to employees in other types of positions in which all the same conditions are present in an equivalent degree.

Additional annual pay under the new title is subject to approval of the Civil Service Commission and is computed on only such part of an employee's base pay as does not exceed the maximum scheduled rate of grade GS-9.

Subparagraph (b) of section 401 of the new title provides that the new title shall not apply to firefighters, who will continue to be paid for overtime, night, and holiday duty under other provisions of the Federal Employees Pay Act.

Subsection (b) prevents the new title from decreasing the existing aggregate rate of compensation of any present employee.

#### *Limitation on premium compensation*

Section 209 fixes the maximum scheduled rate of grade GS-15, now \$11,800 per annum, as the ceiling rate of aggregate pay beyond which no premium compensation will be paid for overtime, night, or holiday work. This replaces the present ceiling rate of \$10,330 in the Federal Employees Pay Act, a former maximum scheduled rate of the corresponding grade CAF-15.

#### *Work schedules*

Section 210 adds new provisions on scheduling tours of duty to section 604 (a) of the Federal Employees Pay Act. Except where an agency would be seriously handicapped in carrying out its function or costs would be substantially increased, the new provisions would require tours of duty to be scheduled at least a week in advance; the basic workweek of 40 hours to be scheduled on 5 days, Monday through Friday if possible, and the 2 days outside the basic workweek to be consecutive; the same working hours on each day in the basic workweek; a basic nonovertime workday not in excess of 8 hours; basic workweeks not to be altered because of the occurrence of holidays; and daily tours not to be split by off-duty periods of more than 1 hour. Existing mandatory scheduling provisions of the Federal Employees Pay Act would continue in effect. These provisions require agencies to establish a basic workweek of 40 hours on not more than 6 of any 7 consecutive days.

### TITLE III—GOVERNMENT EMPLOYEES' INCENTIVE AWARDS

Section 301 establishes a short title, the "Government Employees' Incentive Awards Act."

Section 302 states that the awards program under this title shall be carried out under regulations and instructions issued by the United States Civil Service Commission. It further provides that the Commission shall report the results of the program annually to the President for transmittal to the Congress.

Section 303 defines the term "department." This section will place all Federal departments and agencies except the Tennessee Valley Authority under the provisions of this title.

Section 304 (a) authorizes the head of each department to pay cash awards to and incur necessary expenses for the honorary recognition of civilian officers and employees of the Government in the following circumstances:

1. When such officers or employees have contributed to the efficiency, economy, or other improvement of Government operations by their suggestions, inventions, superior accomplishments or other personal efforts; or

2. When they have performed special acts or services in the public interest in connection with or related to their official employment.

Section 304 (b) authorizes the President to pay cash awards to and incur necessary expenses for the honorary recognition of civilian officers and employees of the Government in addition to departmental awards authorized in section 304 (a) in circumstances where such additional awards or recognition are determined by the President to be warranted.

Section 304 (c) provides that awards authorized in section 304 (a) and 304 (b) may be paid even though the official or employee has died or been separated from the service, provided that the suggestion or other contribution on which the award is based was made while he was in the Government's employ.

Section 304 (d) provides that a cash award under this section shall be in addition to regular compensation of the officer or employee. It also is designed to protect the United States from a claim of any kind which might arise from the acceptance of a cash award by any employee, former employee, or his heirs or assigns. It should be understood that the inclusion of this subsection in the title in no way implies the existence of a claim against the United States in any case in which the award is not accepted or in which the recipient later deems it insufficient. This carries forward the language in existing law to be found in section 14 of the act entitled "An act to authorize certain administrative expenses in the Government service, and for other purposes" approved August 2, 1946, which section is repealed in section 305 hereinafter.

Section 304 (e) authorizes departments to pay cash awards and expenses for honorary recognition from their general appropriations. In addition, it will permit two or more departments which have benefited from a single suggestion or other contribution to share in the cost of the award granted therefor. The President will determine the proportionate amount that each benefiting department will contribute in the case of those awards he authorizes, and the head of each department will determine the amount of the awards he authorizes.

Section 304 (f) states that due weight shall be given to awards made under this title in considering employees for promotion.

Section 305 repeals all existing laws governing incentive-awards programs. Section 702 of the Classification Act of 1949, which authorizes within-grade salary step increases for superior accomplishment is among the laws repealed in this section.

Section 306 establishes the effective date of this title as 90 days after its enactment. This will give departments time to revise their awards programs in compliance with the provisions of this title.



## GOVERNMENT EMPLOYEES FRINGE BENEFITS ACT OF 1954 11

## TITLE IV—UNIFORM ALLOWANCES

Section 401 establishes a short title, the "Federal Employees Uniform Allowance Act."

Section 402 authorizes the annual appropriation of funds to Government agencies in amounts up to \$100 multiplied by the estimated number of agency employees (1) who are required by existing regulation or by law to wear a prescribed uniform while on duty and (2) who are not furnished with the required uniform. Under rules issued by the Bureau of the Budget the agency head would have to pay out of these funds not more than \$100 per year, as prescribed by agency regulations, to each such employee for purchase and upkeep of uniforms. Any amounts allowed for the same purpose under other law or regulation would be deducted from any allowance paid under this title.

Section 403 provides that allowances paid under this title shall not be considered as pay salary or compensation within the meaning of the Civil Service Retirement Act of May 29, 1930, as amended, or as wages within the meaning of section 209 of the Social Security Act, as amended, or subchapter A or D of chapter 9 of the Internal Revenue Code, as amended.

Section 404 authorizes and directs the Director of the Bureau of the Budget to issue necessary rules and regulations for the administration of this title.

## TITLE V—ANNUAL LEAVE

Section 501 of this act amends section 2 of the act of August 3, 1950, as amended by section 5 of the act of July 2, 1953, which provides, in part, for the lump-sum payment for all accumulated annual leave to survivors of deceased officers and employees in an amount equal to the compensation that the decedent would have received if he had remained in the service until the expiration of the period of such annual leave. Payment may be made for current accrued leave only where the total does not exceed 30 days. Section 501 so amends this provision to permit current accrued annual leave to be added to the accumulated leave and be paid in a lump-sum payment even though the total leave equals or exceeds the 30-day maximum.

Section 502 repeals section 6 of the act of July 2, 1953 which directed departmental heads to take action for the reduction of accumulated annual leave credited to officers and employees which was in excess of amounts allowable under the applicable provisions of section 203 of the Annual and Sick Leave Act of 1951, as amended.

## TITLE VI—GROUP INSURANCE

Under section 602 of the bill, the group insurance program authorized thereunder would cover nearly all civilian employees of the executive, legislative, and judicial branches of the United States Government. The Commission could, by regulation and after consultation with agency heads, exclude persons whose coverage would be administratively impracticable, such as short-term, seasonal, or intermittent employees; no exclusion could be effected solely on the hazardous nature of employment. Noncitizen employees with permanent duty station outside a State or the District of Columbia,

and employees of certain corporations under the supervision of the Farm Credit Administration would be excluded from coverage.

As outlined in section 603, each covered employee would be insured for a sum equal to his annual compensation raised to the next higher multiple of \$1,000, with a maximum of \$20,000 in any case. If death occurs by accidental means, the amount of insurance would be doubled. Dismemberment insurance is also provided. The amount of insurance would be reduced (without reduction in premium) by 2 percent a month after the individual attains age 65, subject to a maximum reduction of 75 percent.

Section 604 sets up an order of precedence for paying the insurance upon death. This is the same order as contained in the Civil Service Retirement Act for lump-sum death payments and as established by the act of August 3, 1950, for payment of accrued leave, etc., upon death as follows:

1. Designated beneficiary.
2. Widow or widower.
3. Children.
4. Parents.
5. Estate.
6. Next of kin.

Under section 605, an employee may elect not to be insured, but in the absence of such election the insurance is automatic. As his share of premium cost for all 3 types of insurance, there will be withheld from each covered employee's salary an amount not exceeding 25 cents biweekly for each \$1,000 of life insurance. The Government will contribute an amount not exceeding one-half the sum withheld from the employee. These employee and Government contributions will be deposited in a special fund in the United States Treasury, which fund will be available for premium payments to insurance companies and for administrative expenses.

Section 606 would terminate the insurance generally upon an employee's separation from service; the separated employee would then be privileged to purchase an individual policy at the standard premium rate. However, if the employee is separated for retirement on immediate annuity with at least 15 years' civilian service or for disability retirement, the life insurance only would continue without further cost to him, subject to reduction after age 65 provided in section 3.

The Commission is authorized by section 607 to purchase, from one or more companies meeting specified qualifications, a policy or policies to provide the proposed insurance benefits. The company or companies selected would be required to reinsure portions of the total insurance with other companies which elect to participate. The formula for apportioning reinsurance would be related to each company's group life insurance already in force but with a weighting to benefit the smaller companies.

Section 608 deals with the premium rates to be charged by the companies, which would be determined by the Commission on a basis consistent with the lowest rates charged large employers for such insurance. Subsequent readjustments would be made if found necessary by experience. Annual reports, accounting for all income and expenses under the policies, would be made by the companies. Any excess of premium income over mortality and other claim charges and

expense and risk charges will be held as an interest-bearing contingency reserve, for use in meeting future charges or for eventual return to the Treasury fund.

As provided in section 609, each insured employee would receive a certificate setting forth benefits to which he and his beneficiary may be entitled, and other related information.

Under section 610, the Commission will act to protect the rights of separated or retired employees now insured through nonprofit associations of Federal employees. Such insured persons would be protected at their present premium rates for life insurance granted prior to January 1, 1954, provided the association terminates all its life-insurance agreements and turns over assets sufficient, if possible, to cover the liabilities involved. Should any such insured separated or retired employee become reemployed in a position in which he would be eligible to insurance as provided by this act, he shall be permitted to elect to have such insurance canceled, and thenceforth to be insured under this act, but he shall not have both.

The Commission would, under section 611, promulgate necessary regulations to administer the program.

Section 612 would establish an Advisory Council on Group Insurance to review operations and advise the Commission on policy matters. The Chairman of the Commission would appoint a committee of five insured employees to advise regarding matters of concern to employees under the program.

Annual reports by the Commission to Congress are required by section 613.

Section 614 would clarify the rights of claimants who may wish to make the United States a party to a court action involving a claim under the program. This section would extend the jurisdiction of United States district courts above the \$10,000 limitation now in effect.

The Commission will, under section 615, establish an effective date for the insurance and for contributions.

#### TITLE VII—MISCELLANEOUS PROVISIONS

Section 701 amends section 2 (b) of the Performance Rating Act of 1950 by exempting the Central Intelligence Agency therefrom. Subsection (b) thereunder repeals section 9 of the Central Intelligence Agency Act of 1949, as amended, which authorizes the Director of the Central Intelligence Agency to establish not more than 3 positions in the professional and scientific field in such agency with compensation at rates (subject to Civil Service Commission approval) of not less than \$13,100 nor more than \$15,000 per annum. Such provision is no longer needed because of subsequent legislation.

Section 702 repeals section 1310, Supplemental Appropriation Act, 1952 (Public Law 253, 82d Cong.), as amended (commonly known as the Whitten amendment), which places certain restrictions on Government personnel operations.

#### *Effective date*

Section 211 provides that title II shall become effective at the beginning of the first pay period which begins more than 60 days after date of enactment.

### AGENCY REPORTS

Attached hereto are agency reports received on S. 2665 and S. 3507, the provisions of which are embodied in this bill.

UNITED STATES CIVIL SERVICE COMMISSION,  
Washington, D. C., February 19, 1954.

Hon. FRANK CARLSON,  
Chairman, Post Office and Civil Service Committee,  
United States Senate.

DEAR SENATOR CARLSON: As requested in your letter of January 12, 1954, we are submitting our views and comments on S. 2665, a bill to amend the Classification Act of 1949, as amended, and the Federal Employees Pay Act of 1945, as amended, and for other purposes.

#### TITLE I

Title I of the bill includes the following changes in the Classification Act of 1949, as amended: (1) abolishes the crafts, protective, and custodial schedule of the act, moves the crafts, trades, manual labor, and other similar positions now in this schedule to a local prevailing wage rate system and transfers all remaining positions now paid under the CPC schedule to the general schedule of the Classification Act; (2) increases the number of positions authorized in grades GS-16, 17, and 18 to 700 and within this ceiling of 700, removes the limitations on the number of positions allowed at each of these grades; (3) provides for longevity increases for employees serving in positions at grades GS-11 to GS-15; and (4) authorizes the Civil Service Commission to make temporary adjustments of minimum pay rates in order to recruit and retain needed personnel.

The Civil Service Commission favors these proposals in title I. Our specific comments on each proposal are presented below under appropriate headings.

#### (a) Abolition of CPC schedule

Section 102 (a) would remove maintenance workers in crafts, trades, manual labor, and other similar positions from the crafts, protective, and custodial schedule of the Classification Act of 1949, and pay them on a local prevailing rate basis. Section 103 would transfer all remaining positions in the CPC schedule to specified corresponding grades of the general schedule. Section 104 (b) would establish a time limit for these transfers, and would provide that until such transfer is effected the compensation received by these employees shall be at rates presently prescribed by the Classification Act of 1949, as amended.

There are now approximately 116,000 positions in the CPC schedule. Approximately 69,000 of these are maintenance jobs in crafts, trades, and manual labor. Over 750,000 similar Government crafts and labor positions in production and construction work are paid on the basis of local prevailing wage rates. This means that employees having similar qualifications, performing similar duties, appointed from the same civil-service lists, and many times working side by side are paid at different rates. The proposed legislation is necessary to eliminate this pay inequity. This action is also necessary to place the Federal Government in a better competitive position with private industry in the recruitment and retention of blue-collar workers.

Moving the approximately 69,000 crafts and labor positions to a local prevailing rate basis would leave approximately 47,000 positions in the CPC schedule. The proposed legislation would transfer these 47,000 jobs (consisting of such occupations as guards, messengers, and fire fighters) to the general schedule of the Classification Act of 1949. This would simplify the pay structure of the Classification Act. The number of grades under this act would be reduced from 28 to 18.

We estimate that the total cost of placing the approximately 69,000 of the present CPC schedule jobs on a prevailing-wage basis and transferring the other 47,000 to the GS schedule would be approximately \$36,500,000 on an annual basis under current conditions.

We recommend two changes in language to make clear the intent of the provisions concerned. We propose the following clarifying language as a substitute for the last proviso in section 102 (a), page 2, lines 15 to 23, of the bill: "Provided further, That whenever the Civil Service Commission concurs in the opinion of the employing agency that in any given area the number of such employees is so few as to make prevailing-rate determinations impracticable, such employee or employees shall be subject to the provisions of the Classification Act of 1949, as amended, which are applicable to positions of equivalent difficulty or responsibility."

## GOVERNMENT EMPLOYEES FRINGE BENEFITS ACT OF 1954 15

This change in language would make clear that when such employees were not paid on a local prevailing rate basis, they would be subject to all the provisions of the Classification Act of 1949, as amended, rather than merely paid in accordance with the pay rates of that section. This would assure that the employees affected by the provisions of section 102 (a) of S. 2665 would be treated in the same manner as other employees covered by the provisions of the Classification Act of 1949.

The second language change we suggest applies to section 104 (b) to make clear that the positions now in the CPC schedule would continue until the transfer to the general schedule and the wage board system is completed:

"With respect to employees and positions to which sections 102 (a) and 103 of this title apply, the provisions of the Classification Act of 1949, as amended, and any provisions of law and regulations controlling pay adjustments which were in effect on the date of enactment of this act, shall continue in effect for any such employee or position until compensation shall have been fixed in accordance with the provisions of this title."

(b) *Increase in the number of positions authorized in grades GS-16, 17, and 18*

Section 102 (b) would authorize 700 positions in grades GS-16, GS-17, and GS-18, without limitation as to the number of positions at each of these grades. The present conditions in the Classification Act of 1949 requiring the approval of the Civil Service Commission of positions placed in grades GS-16 and GS-17 and requiring the approval of the President of positions placed in GS-18, would continue.

The Classification Act of 1949 specifically provides a ceiling of 400 on the number of positions that may be authorized at grades GS-16, 17, and 18. The act provides for 25 positions at GS-18, 75 at GS-17, and 300 at GS-16. We are in accord with the provisions of section 102 (b) of S. 2665 to raise the ceiling to 700 and to eliminate all limitations on numbers allowed at each of these grades.

At present, 465 positions in grades GS-16, 17, and 18 have been authorized in addition to those specifically provided by the Classification Act. These are authorized for given agencies and programs through the Defense Production Act and various reorganization plans and appropriation acts. These positions are provided to meet particular special needs and would not be affected by the proposed general legislation.

An increase in the number of positions at grades GS-16, 17, and 18 is necessary in the interests of Government program requirements, sound and equitable pay administration, and accurate position classification. The Civil Service Commission recently asked for agency estimates of their need for positions at these grades. Approximately 700 additional positions were requested by the Federal agencies involved. Initial Commission review indicates that at least 300 of the requested positions warrant classification above grade GS-15 on the basis of their duties and responsibilities.

Almost half of the requested additional positions are in the fields of engineering and scientific research; many others include the heads of important administrative organizations, or are key Government positions in such fields as law, accounting, statistics, and economics. The provision of appropriate pay rates for these positions would help place the Government in a fair competitive position with private employers for shortage skills, and assist in the retention of top-level personnel.

None of the 300 positions which warrant classification above grade GS-15 can be placed in the correct grade because of the present Classification Act ceiling. Thus the present ceiling actually is contrary to the policy of equal pay for substantially equal work expressed by Congress in the Classification Act. This creates serious pay inequities among employees, some of whom receive considerably less pay than their work assignments call for.

The limitation on numbers of positions at each grade over GS-15 also hampers effective administration and correct classification of jobs. For example, although a position warrants classification at grade GS-18 it may be impossible to place it in that grade because the quota for grade GS-18 positions is filled. As a result the position must be placed in grade GS-17, or even GS-16, depending on the availability of spaces in these grades. Under this proposal, the Civil Service Commission would continue to maintain close control on the number of positions at each grade through prior review and approval of every classification action above grade GS-15.

We estimate that the salary cost of placing 300 additional positions in grades above GS-15 would approximate \$550,000 a year.

(b) *Call-back overtime pay*

Section 202 (d) of this title would guarantee a minimum of 2 hours' pay at the overtime rate for any employee called in for overtime work on a nonwork day or during off-duty hours. This would be generally consistent with industry practice, and would protect employees from being called in for assignments of such short duration that pay for only time on duty would be grossly inadequate compensation for the inconvenience. The Commission endorses this provision.

(c) *Time in travel status*

Section 202 (d) of this title would provide that time spent in a travel status away from the official-duty station of any officer or employee shall be considered as hours of employment only when (a) within the days and hours of such officer's or employee's regularly scheduled workweek, including regularly scheduled overtime, or (b) the travel involves the performance of work while traveling or is carried out under arduous conditions. This section would enact into law the principles currently expressed in rulings of the Comptroller General on overtime of employees in a travel status. The Commission endorses this provision.

(d) *Pay for nightwork*

Section 202 (e) would permit employees whose regular tour of duty includes nightwork to be paid night differential for periods of absence with pay during such hours due to holidays, and for periods of leave with pay totaling less than 8 hours during any pay period. At present employees receive night differential only for hours actually worked. This provision would eliminate administrative costs occasioned by the excessive paperwork necessary to make the many minor payroll changes required by the existing statute.

Section 202 (e) also would permit agencies to change the night differential period at overseas posts to the extent necessary to permit conformance with customary local hours of business without paying night differential. For example, customary local hours of business in a tropical country may extend to 8 p. m., to take advantage of the cooler hours of the day. In this case, under the provisions of this section, agencies could limit the night differential period to hours after 8 p. m.

The Commission favors the proposals contained in section 202 (e).

(e) *Compensation for holiday work*

Section 202 (f) of the title would provide that additional pay for holiday work would be at the same rate as the regular overtime rate, which is one and one-half times the employee's basic compensation, and establishes a minimum compensation of 2 hours for such holiday work. The Commission does not favor the provision increasing the aggregate compensation for holiday work until such time as a study is made on the possible policy and cost impact of such an increase on those employees who are not covered by the Federal Employee Pay Act.

We do, however, favor the provision establishing a minimum of 2 hours' compensation for work performed on holidays. Such compensation would be at the present rate of holiday pay, and would be consistent with the minimum guaranty of 2 hours' pay for overtime work performed on a nonwork day or during off-duty hours contained in section 202 of this title.

The following substitute amendment is suggested, which would continue the present rate of holiday pay, establish a 2-hour minimum at the present rate, and change the language to conform with language used to describe premium pay in other sections of the title:

"(f) Section 302 of the Federal Employees Pay Act of 1945, as amended, is amended to read as follows:

"Sec. 302. (a) All work not exceeding eight hours, which is not overtime work as defined in section 201 of this Act and which is performed on a holiday designated by Federal statute or Executive order, shall be compensated at the rate of basic compensation of the officer or employee performing such work on a holiday plus premium compensation at a rate equal to such officer's or employee's rate of basic compensation. Any officer or employee who is required to perform any work on such a holiday shall be compensated for at least two hours of such work, and any such premium compensation due under the provisions of this section shall be in addition to any premium compensation which may be due for the same work under the provisions of section 301 of this Act providing premium compensation for nightwork.

"(b) Overtime work, as defined in section 201 of this Act, on Sundays and such holidays shall be compensated in accordance with the provisions of such section 201."



*(f) Special provisions for certain kinds of work*

Section 202 (g) of the title would provide that employees with long tours of standby duty may receive additional annual pay at rates up to 25 percent of their base pay rate. Like overtime pay for other employees, the additional annual pay would be computed on only the first \$5,810 of an employee's basic salary rate and would be subject to the ceiling of the top of GS-15 (presently \$11,800) on aggregate pay. The additional annual pay would take the place of all other overtime, night, and holiday pay. Because they would already be on duty for 48 or more hours a week, as a rule, these employees would not be affected by any extension of the Federal workweek.

Also, section 202 (g) would provide additional annual pay, not in excess of 15 percent of base pay rates, for employees whose hours of work are not subject to the usual administrative control and whose duties require substantial amounts of unscheduled overtime, night, and holiday work. To maintain consistency with other overtime compensation, the additional annual pay would be computed on only the first \$5,810 of any employee's basic salary rate and would be subject to the ceiling of the top GS-15 (presently \$11,800) on aggregate pay. The additional annual pay for such employees would take the place of other pay for unscheduled overtime work and for night and holiday duty. These employees, in addition, would receive overtime pay on the same basis as other employees when the workweek is extended, for example, to 48 hours.

The two special types of Federal employment covered by this section do not fit well within the standard overtime-pay provisions. Some employees, such as firefighters, are on duty for long periods but are in a standby status for much of their time on duty, at their stations ready to answer any calls but not performing actual work. Hours of work of certain other employees, such as investigators of criminal activities, cannot be controlled administratively in the usual way. Such assignments as trailing suspected criminals require substantial amounts of unscheduled overtime work and night and holiday duty. While the Federal Employees Pay Act presently includes these two groups under its hourly premium pay provisions, serious administrative problems have been caused by the large amount of irregular overtime or standby duty required of these employees.

The Commission supports the proposals in section 202 (g). Additional compensation on an annual basis for these two groups would be easy to administer, fair to the Government, and equitable for the employees covered. The latter would be especially true for those investigators whose peculiar working conditions now frequently require substantial amounts of overtime work without any pay at all, and for those employees who are required to perform a large amount of standby duty.

*(g) Limitation on premium compensation*

Section 202 (h) increases the ceiling on base pay plus overtime pay from the present amount of \$10,330 (the previous top of GS-15) to the top rate of GS-15 (at present \$11,800). The proposed ceiling would then conform with the ceiling used for such other purposes as the proposed extension of longevity rates and rates for Government experts and consultants.

*(h) Tours of duty*

Section 202 (i) would include a statutory statement of policies on work schedules of employees covered by the act. The policies expressed would be followed except where an agency would be seriously handicapped in carrying out its functions or costs would be substantially increased. The statement would require weekly tours of duty to be scheduled in advance; on 5 days of the week; Monday through Friday if possible; the 2 days off to be consecutive; the same working hours each day; workdays not in excess of 8 hours; that the basic workweek not be shifted to avoid holidays; and that work schedules not include split shifts with a break of more than 1 hour.

It is recognized that some Government activities, such as operation of hospitals, weather services, and airways communications and flight control, require Sunday duty. Others, such as construction inspection, which are necessarily synchronized with hours of contractors or other business establishments, may require more than 8 hours of work on some days, and cannot always be scheduled in advance. In these and similar circumstances, the Government should be permitted to schedule unusual tours of duty for employees whenever operating requirements do not permit normal work schedules, without being penalized by having to pay premium pay rates solely because of the deviation from the usual tours of duty. However, we believe also that employees should be assured that they will not be assigned to undesirable tours of duty unnecessarily. The proposed section will accomplish this objective and is favored by the Commission.

### TITLE III

Title III of S. 2665, which establishes a new "Government Employees' Incentive Awards Act," consolidates all authorities for all type of awards, places direction of the governmentwide incentive awards program with the Civil Service Commission, and provides for other improvements in the Government's incentive awards systems. The Civil Service Commission strongly favors the enactment of this proposed legislation which should make possible even greater benefits in savings and improved operations than have resulted from the awards programs now in operation.

By consolidating existing laws authorizing incentive awards, S. 2665 would simplify administration of a coordinated governmentwide program. The bill would also remove another obstacle to effective management by making the Civil Service Commission responsible for direction of the entire Government's incentive awards program. At present, this responsibility is diffused. We agree that the Civil Service Commission is the logical agency to administer the program which is primarily a personnel management function.

S. 2665 would expand the coverage of the awards program. At present for example, employees paid under wage board authority and under the Postal Pay Act are not eligible for awards authorized under the Classification Act of 1949. We endorse the provisions to make awards available to all employees. We also agree with the provision for making awards on the basis of governmentwide savings and on savings in an agency other than the one in which the award winner is employed.

We concur with the provisions of S. 2665 to remove present statutory limits on total agency suggestion awards and individual awards. These statutory limits have the undesirable effect of restricting the number and dollar value of awards which can be made for worthwhile suggestions.

We strongly endorse the provisions for Presidential awards in section 304 (b) of S. 2665. This would provide a valuable incentive to improved employee performance and would increase public understanding of the work of the Federal service.

S. 2665 would eliminate salary increase awards and authorize cash awards in their stead. This is a desirable change which would avoid the inequities now resulting from awards scaled according to base pay rate rather than according to achievement.

Elimination of salary increase awards requires repeal of all of title X of the Classification Act except the first selection. This section deals only with the Government's management improvement program and does not mention awards. To reflect this fact, we recommend that the heading of title X be amended to eliminate the words "and awards."

S. 2665 would correct inequities in present statutory authorities covering awards for inventions. These authorities apply to different employee groups, and do not afford uniform treatment. In some cases private relief bills have been used to provide rewards for employee inventors. Under S. 2665, inventions would be covered under a governmentwide incentive awards program.

The proposed legislation would provide comprehensive authority for invention awards throughout the Federal civilian service. Under the bill, the Tennessee Valley Authority, like other agencies, would not need its present invention awards authority. To repeal this remaining separate authorization in the interests of complete and clean-cut consolidation of incentive awards law, we recommend that section 305 of the bill be amended by the addition of a paragraph to read as follows:

"(h) The second proviso clause in section 5 (i) of the Act of May 18, 1933 (16 U. S. C. 831d (i))."

To correct an apparent typographical error, we recommend that the letter "s" be stricken from the word "heads" in line 12 on page 20 of the bill.

### TITLE IV

Title IV of the bill, cited as the "Federal Employees Uniform Allowance Act," provides for an allowance for uniforms to civilian employees of the United States who are required to wear uniforms in the performance of their duties. The Commission does not favor this proposal at the present time. A study by the Bureau of the Budget in 1951 indicated that 270,000 civilian employees were required to wear uniforms. Since the allowance for the purchase and maintenance of uniforms would be an amount up to \$100 per annum, the annual cost of this bill would be substantial. Weighing the benefits to be derived from this

legislation against the President's policy of curtailing expenditures wherever possible, we do not recommend such legislation at this time.

TITLE V

Title V of S. 2665 would repeal section 1310 of the Supplemental Appropriation Act, 1952 (Public Law 253, 82d Cong.), as amended by section 1302 of the Third Supplemental Appropriation Act, 1952 (Public Law 375, 82d Cong.). The present legislation places a number of restrictions on personnel actions within and outside the competitive civil service for the duration of the emergency proclaimed by the President on December 16, 1950. The Commission strongly endorses the action proposed in title V of S. 2665.

We believe that the specific and precise requirements presently spelled out in section 1310 of the Supplemental Appropriation Act, 1952, as amended, have brought about an unfortunate rigidity in Federal personnel management. This rigidity has resulted in red tape and complexity, increased the cost of personnel management, and created inequities for many employees in the Federal service.

Although the original provisions of this legislation have been amended twice, new problems have always arisen as a result of the amendments. Other problems in the original provisions have not been taken care of by the amendments. The Commission has made every effort to administer this personnel legislation in as practicable a manner as possible. However, it has not always been able to allow that flexibility in personnel management which might seem to be in the best interests of the service and in accord with the intent of Congress because of the precise language used in the legislation.

In summary, our views are that an attempt to spell out precisely by legislation the administrative steps to be taken in the field of emergency personnel management has not been successful; and that the greatest need in this emergency situation is to provide the President with the flexibility necessary to meet the overall objectives of Congress by administratively adapting personnel procedures to changing circumstances.

The Bureau of the Budget has advised us that it has no objection to the submission of this report.

By direction of the Commission:

Sincerely yours,

JOHN W. MACY, Jr.

(For and in absence of Philip Young, Chairman).

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D. C., February 19, 1954.

HON. FRANK CARLSON,  
Chairman, Committee on Post Office and Civil Service,  
United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: This will acknowledge receipt of your letter of January 19, 1954, requesting the views of this Office with respect to S. 2665, a bill to amend the Classification Act of 1949, as amended, and the Federal Employees Pay Act of 1945, as amended, and for other purposes.

Title I of S. 2665 would amend the Classification Act of 1949, as amended: (1) To provide for compensation on a prevailing locality rate basis of certain crafts, protective, and custodial positions now subject to the act; (2) to consolidate the remaining positions of the crafts, protective, and custodial schedule of the act with those of the general schedule; (3) to increase from 400 to 700 the number of positions authorized to be placed in grades GS-16, 17, and 18, and to remove the restriction on the number of positions which may be placed in each of these grades; (4) to permit establishment of entrance rates higher than the minimum rate of the grade for positions in shortage categories; and (5) to authorize longevity step increases in grades GS-11 through GS-15. This Office favors the objectives sought by the provisions of title I.

Title II of the bill would amend the Federal Employees Pay Act of 1945, as amended, to revise the overtime, night, and holiday pay provisions of the act and to add new provisions with respect to premium pay for standby service and for irregular and unscheduled overtime duty. This Office generally favors the objectives of title II. Establishment of a uniform premium pay plan including full time-and-one-half overtime rate for employees in all Classification Act grades through the maximum of GS-9 would be desirable. It is the view of the Bureau

## GOVERNMENT EMPLOYEES' FRINGE BENEFITS ACT OF 1954 21

of the Budget that this premium pay plan should ultimately control premium pay for all employees whose base pay is established under the Classification Act. As to holiday pay, establishment of a premium pay rate that would result in the payment of 2½ days pay for 1 day's work performed on a holiday is not endorsed. We recommend, in lieu of this provision in S. 2665, approval by the committee of language which the Civil Service Commission is submitting for your consideration.

Title III would establish a new incentive awards program on a government-wide basis, with responsibility for administration centered in the Civil Service Commission, by consolidating into one basic statute existing awards authorizations contained in the Classification Act and in several individual agency authorities. This office favors the objectives of title III.

Title IV, cited as the Federal Employees Uniform Allowance Act, proposes a cash allowance of \$100 for each employee required by law or regulation to wear a uniform in the performance of official duty, under regulations prescribed by the Director of the Bureau of the Budget. This office recommends against favorable consideration of this and other similar pending proposals at this time.

Title V of the bill proposes the repeal of the current restriction on appointments and promotion contained in section 1310 of the Supplemental Appropriations Act, 1952. This office favors such repeal.

Sincerely yours,

ROWLAND HUGHES, *Acting Director.*

DEPARTMENT OF AGRICULTURE,  
Washington, D. C., March 2, 1954.

Hon. FRANK CARLSON,  
*Chairman, Committee on Post Office and Civil Service,  
United States Senate.*

DEAR SENATOR CARLSON: This is in reply to your request of January 12, 1954, that the Department express its views on S. 2665, a bill to amend the Classification Act of 1949, as amended, and the Federal Employees Pay Act of 1945, as amended, and for other purposes.

## TITLE I

The important provisions of title I, which is to be cited as the Classification Act Amendments of 1954, are—

- (1) Those abolishing the CPC schedule and establishing the General schedule (GS) as the single basic pay scales of the Classification Act;
- (2) Those which will have the effect of transferring building and maintenance jobs to the prevailing rate system;
- (3) The provisions increasing the number of positions that may be placed in the so-called supergrades, GS-16, 17, and 18, from 400 to 700;
- (4) Those raising the limit for longevity step-increases from GS-10 to GS-15; and,
- (5) Those which will authorize the Civil Service Commission to establish a rate above the minimum of the grade as the in-hiring rate in areas or locations where the difficulty of finding a sufficient number of qualified eligibles without doing so may justify such action.

The Department favors establishment of a single pay scale as proposed in the bill. Such a scale should be administered so as to permit as few exceptions as possible. At the same time, in view of the large number of other similar jobs already being paid in accordance with local prevailing rates, we would not object to the amendment under which building and maintenance jobs now under the CPC schedule would be transferred to the prevailing rate system. An estimated total of 1,500 full-time jobs at over 400 locations would be affected in this Department. We believe that eventually, some solution will have to be found for the problems that constantly arise over discrepancies in Classification Act rates for administrative personnel as compared with prevailing rates for blue-collar workers at locations where the two work in close proximity. This problem is intensified as coverage of the prevailing rate system is extended. If the proposed transfer of additional jobs to that system is approved, then we trust that a proviso like the one at the end of section 102 (a) of the bill will be retained so that it will be possible thereafter to fix Classification Act rates administratively for trades and labor jobs in those areas where they exist in such small numbers as to make prevailing rate determinations impracticable.

We endorse an increase in the number of supergrade positions allowed for the Government as a whole. The present allocation to the Department is considerably below existing needs.

The remaining provisions of title I appear to be desirable as steps to improve the Federal pay structure and assure proper and efficient administration of basic rates.

#### TITLE II

Title II, of the bill would raise the limit under which true time and one-half for overtime is paid from the present \$2,980 per annum to the maximum rate of grade GS-9 (currently \$5,810 per annum). It is recommended that this change be approved since it will help correct the situation under which employees in GS-7 and above now receive more for straight time than they do for overtime, and GS-4 secretaries receive more for straight time than supervisors in GS-12 and above receive for overtime.

With respect to the provision of title II that would enable heads of departments and agencies to require employees receiving more than the maximum scheduled rate of GS-9 to take compensatory time off, rather than cash payments, for irregular or occasional overtime work, a small amendment might be desirable. This provision is written to indicate that such employees shall be compensated "with not more than an equal amount of compensatory time off." Under such language it is possible that less than equal compensatory time off could be granted. It is recommended that the language be changed to read "with an equal but not greater amount of compensatory time off" to assure that such lieu time off will be granted on an hour-for-hour basis.

Under this title, the premium for worked holidays would be fixed to correspond to overtime pay so that employees would receive straight time and in addition the regular overtime premium if required to work on any such day. This change would give employees paid \$8,560 or under more pay for worked holidays, and those paid over \$8,560 slightly less pay, than they receive at the double-time rate under existing law. We suggest, in lieu of this provision, that the committee approve language which the Civil Service Commission is submitting for your consideration.

This title also states the conditions under which time in a travel status is compensable, guarantees a minimum of 2 hours' overtime pay for callback overtime, and permits some time other than 6 p. m. and 6 a. m. to be designated as the beginning and ending of night tours of duty under certain conditions outside the District of Columbia and the 48 States. We feel that the first of these amendments, which would clarify the question of how much time spent in a travel status is compensable, should be approved. The minimum guaranty on callback overtime is a provision which this Department has recommended before. It is desirable to have such a provision in areas where, as in New York, employees may spend more time on the way to and returning from the place where the overtime work is to be performed than they will be required to spend on the work itself at such place. The amendment in regard to the designation of night tours covers situations with which this Department has had little if any experience, but we see no reason why the greater discretion that would be allowed under the proposed language should not be granted.

A further amendment under this title would change the provisions governing night pay differential with a view to enabling employees assigned to night work to be paid the 10 percent differential during absence on a holiday, provided the holiday was otherwise "with pay," and to receive the differential during periods of leave with pay up to 8 hours at night. It is our understanding that this change would bring Government practice into line with general industrial and commercial practice relative to night pay for the periods in question. Its approval also is, therefore, recommended.

#### TITLE III

Title III repeals present laws dealing with incentive awards and substitutes a single authority for two major types of recognition, namely, honor and cash awards. Responsibility for issuing regulations is placed in the Civil Service Commission.

The effect of these changes is desirable since it assures uniformity in the application of the law to all employees, and uniformity in incentive awards and in the regulations governing the issuance of such awards.

It is not clear whether it is intended, under the provisions of the bill, to authorize the granting of length-of-service awards for longevity as is presently done under authority of Public Law 600, dated August 2, 1946. This Department has found

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that the granting of such awards recognizing long and faithful service is appreciated by employees and represents an important additional incentive to effective public service. Accordingly, it is recommended that the bill or legislative history clearly indicate an intention to authorize length-of-service awards. To accomplish this by amending the bill, we recommend, on page 19, line 8, the addition of the following sentence: "Honorary recognition may also be given to civilian officers and employees of the Government for long service."

If the committee prefers to reflect its intention in the legislative history, we recommend that the following statement appear in the committee report:

"The committee recognizes that under existing authority which this bill repeals, Government agencies are granting awards for length of service. It is the intention of the committee that this practice may continue under this bill."

#### TITLE IV

Title IV of the bill refers to only two groups of employees. One is the fire fighters and other classes of workers who are required to remain in a standby status for a substantial amount of their time on duty; the other group includes employees performing substantial amounts of unscheduled overtime, night, and holiday work where the hours of duty cannot be controlled administratively. The bill would authorize differentials up to 25 percent of base pay for the first group and up to 15 percent of the second. We believe this would provide a workable system which could be administered on the basis of regulations issued by the Civil Service Commission, or by the agencies with Commission approval.

Other provisions contained in title IV would preclude payment for overtime, night, or holiday work to employees whose basic or aggregate rate of pay would exceed the maximum scheduled rate of GS-15. The existing limitation is \$10,330. Raising the limitation to the maximum indicated would place it approximately a grade higher than it is at present and would have the advantage of tying in to an actual rate, which the \$10,330 under existing law fails to do.

This title also provides for a uniform allowance annually of \$100 to defray the expenses of acquisition and upkeep of prescribed uniforms. The provision is desirable since employees who are required to wear uniforms frequently are at a financial disadvantage in relation to other employees who do not have to bear such cost personally. However, in view of the President's desire to limit expenditures wherever possible, we do not recommend enactment of this provision at this time.

#### TITLE V

Repeal of section 1310 of the Supplemental Appropriation Act, 1952, as provided for in title V would be helpful in the recruitment and retention of desirable personnel. Inability to offer permanent appointment for most positions and restrictions on promotion have acted to deter prospective applicants from seeking Government employment.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Under Secretary.*

COMPTROLLER GENERAL OF THE UNITED STATES,  
 Washington, D. C., January 29, 1954.

HON. FRANK CARLSON,  
 Chairman, Post Office and Civil Service Committee,  
 United States Senate.

MY DEAR MR. CHAIRMAN: Reference is made to your letter of January 12, 1954, acknowledged by telephone January 15, enclosing a copy of S. 2665, 83d Congress, 2d session, and requesting my views and comments with respect thereto.

The bill contemplates certain amendments to the Classification Act of 1949, as amended, the Federal Employees Pay Act of 1945, as amended, and other legislation concerning matters which on the whole have been the subject of official and unofficial consideration throughout the Government over a period of several years. It is believed that, aside from its beneficial character from the viewpoint of employees, the bill provides for substantial improvements in Government administration. The bill, as drafted, reflects a careful study by the author, both as to the substance and form. It is recommended, however, that consideration be given to modifying the language of the proposed amendment of section 302 (a) of the



Federal Employees Pay Act of 1945, as amended (p. 13, line 20 of the bill), to require as a condition to entitlement to holiday compensation that work performed on holidays be authorized or approved as in the case of overtime work.

Also, there are some matters which I would like to bring to your attention for consideration in connection with the bill. In construing the language of sections 203 and 603 (b) of the Federal Employees Pay Act of 1945, as amended, this Office felt impelled by the clear language of the latter section to rule in 26 Comptroller General 658, and again in Office decision of June 19, 1951, B-102754, to the Secretary of the Navy, that wage board employees compensated on a monthly or per annum basis—as distinguished from a per diem or per hour basis—are subject to the limitation of \$10,000 (later increased to \$10,330) prescribed by section 603 (b) of the act. That rule recently was reaffirmed in Office decision published in 33 Comptroller General 53. The departments and agencies employing large groups of wage board employees have expressed concern about the result of this ruling, in that in some instances per diem or per hourly wage board employees who perform overtime services receive compensation in excess of supervisory per annum or monthly wage board employees who work the same overtime hours, but are prevented from receiving compensation for any pay period at a rate in excess of \$10,330 per annum by virtue of the limitation previously referred to. Of course that limitation would be raised to \$11,800 by this bill, but the same situation might prevail in the future. If it be determined to eliminate this apparent inequity it could be accomplished by adding another sentence to the amendment to section 603 of the Federal Employees Pay Act of 1945, as amended, appearing on pages 16 and 17 of the bill, to read as follows:

"This section shall not apply to employees whose basic rate of compensation is fixed on an annual or monthly basis and adjusted from time to time by wage boards or similar administrative authority serving the same purpose."

Section 703 of the Classification Act of 1949, authorizing longevity step increases requires, among other qualifying conditions, 3 years of continuous service without change of grade or rate of basic compensation. In the current program of decreasing the level of Government employment, it is a necessary incident that numerous employees be demoted in grade. It not infrequently happens that, at the time of demotion, an employee has served 1 or more years in the maximum scheduled step or one of the longevity steps of his higher grade. Under existing law credit for such service is lost because of the change of grade or rate of basic compensation incident to the demotion of the employee, if he be placed in the maximum scheduled step or a longevity step of the lower grade, must again begin to serve the required 3-year period before he qualifies for a longevity step increase in the lower grade. It is not too evident that the provisions of existing law in that respect are consistent with the purpose and intent of the Congress in providing for longevity benefits. It is suggested that you may wish to have this situation corrected by the present bill.

Another situation which it is deemed pertinent to invite to the attention of the committee concerns the practice in some of the departments and agencies of requiring certain specialized employees to remain in a standby status at their homes instead of their place of work. It is understood that this practice originated in order to avoid the additional cost of keeping employees on the job to repair and maintain complicated electronic equipment and paying them overtime compensation since they might be needed only for a short period of time during a particular shift. If called back to duty such employees now are paid overtime compensation only for the period actually worked and if not called receive no compensation whatsoever. The employees apparently have objected to this arrangement and while the provision in the bill for a minimum of 2 hours of overtime compensation for employees called back to duty will help to alleviate the situation, it may be the committee would desire to recommend that some form of compensation—preferably to be authorized in the discretion of the agency—be provided for employees who are requested to remain in a standby status at home which could be similar to that now contained on pages 14 and 15 of the bill with reference to employees remaining in a standby status within the confines of their official stations.

Sincerely yours,

LINDSAY C. WARREN,  
Comptroller General of the United States.

## GOVERNMENT EMPLOYEES' FRINGE BENEFITS ACT OF 1954 25

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE,  
LEGISLATIVE AND PUBLIC AFFAIRS,  
Washington, D. C., February 24, 1954.

Hon. FRANK CARLSON,  
Chairman, Committee on Post Office and Civil Service,  
United States Senate,

DEAR MR. CHAIRMAN: This is in response to the request for the views of the Department of Defense on S. 2665, a bill to amend the Classification Act of 1949, as amended, and the Federal Employees Pay Act of 1945, as amended, and for other purposes.

The Department of Defense strongly urges the enactment of S. 2665. The major features of S. 2665 long have been advocated by the Department of Defense as necessary to eliminate many existing difficult administrative problems, inadequacies in premium compensation, and a confused system of incentive awards.

Title I, section 102, amending section 202 (7) of the Classification Act of 1949, as amended, and title I, section 103, are considered of major importance to the Department of Defense. Section 102 would exempt from the Classification Act of 1949 certain employees in the crafts, trades, and other positions, and require that such employees be paid, where appropriate, in accordance with prevailing rates. Title I, section 103, would abolish the crafts, protective, and custodial schedule in the Classification Act and transfer to the general schedule those employees and positions now under the CPC schedule which are not exempted from the Classification Act by this legislation. Both these provisions are strongly supported by the Department of Defense and our views concerning the necessity for this legislation are fully set forth in a letter to you dated January 13, 1954, in support of S. 2302, a bill which is substantially similar to title I, sections 102 and 103 of S. 2665.

By way of technical comment it is believed that the second proviso to paragraph (7), section 205 of the Classification Act (beginning at line 15, p. 2 of S. 2665), should contain a statement to indicate that employees paid thereunder will be considered to be employees subject to the Classification Act for all purposes. This can be accomplished by adding the following language at the end of the proviso at line 23, page 2 of S. 2665: "and in such cases the employees affected shall for all purposes be considered as being subject to the Classification Act of 1949."

With reference to page 3, paragraph (c) of the proposed amendment to section 505 of the Classification Act, it is this Department's opinion that grades GS-16, 17, and 18 are a regular part of the general schedule to which positions are allocated in accordance with the allocating factors and principles set forth in the Classification Act of 1949. It is, therefore, inconsistent with the principles of that act to establish an arbitrary ceiling on the number of positions which may be placed in these grades, regardless of the number of positions which proper classification would require be placed in these grades. For this reason, we should like to see all reference to a ceiling on grades 16, 17, and 18 eliminated. If, however, it is considered necessary that some special control should be placed on the number of positions in GS-16, 17, and 18, it is urged that this control be placed in the President, and that he be authorized to establish an appropriate ceiling based upon a survey of the needs of the Federal Government for such positions. This procedure would permit the establishment of realistic ceilings, which could be changed from time to time to meet changing requirements of the service, and would make unnecessary requests to the Congress for special legislation authorizing additional supergrades almost as soon as a statutory ceiling is established. With respect to the statutory ceiling of 700 positions proposed in section 505 (c), it is assumed that this number would be in addition to the number of such positions now authorized by special legislation. In other words, it is assumed that the figure of 700 represents a proposed increase by 300 of the present figure of 400 contained in this section of the Classification Act, and that these 700 positions would not include any now authorized by special legislation, such as section 806, Public Law 207, 83d Congress, which provides authority for 180 positions in the Department of Defense. Any contrary interpretation would result in a decrease in the number of grade 16, 17, and 18 positions now existing, since this number is estimated to be around 900. To assure that the proposed revision of section 505 (c) has the effect of increasing rather than decreasing the number of these positions in the Federal service, it is suggested that the words "under authority of this section" be inserted after "time" in line 10 on page 3.

With regard to the amendment of section 604 of the Classification Act contained on page 4, it is recommended that the word "may" on line 19 be changed to

"shall" to leave no question as to the intent of Congress and to be consistent with section 106, page 9 of S. 2665.

The proposed amendment of section 703 (b) (1) contained on page 5 of S. 2665, making employees holding positions up to and including GS-15 eligible for longevity step increases, is recommended for enactment since there appears to be no valid reason for denying employees above GS-10 longevity increases. It is suggested, however, that section 703 (a) also be amended so that the present phrase "without change of grade or rate of basic compensation" be deleted and the following substituted: "without an equivalent increase in compensation from any cause." This change is recommended to correct what is probably an inadvertent inequity as regards employees who suffer a change to lower grade. Under the present wording of section 703 (a) an employee who is changed to a lower grade is prevented from receiving a longevity step increase if otherwise eligible until he has served for 3 years at the maximum of the lower grade. It is understood why an employee should serve an additional 3-year period after he has received an increase in compensation but it does not appear logical that this requirement should apply to a change to lower grade which, in many cases, involves a lower rate of pay.

The amendments to section 803 contained on page 6 represent a most desirable change in the Classification Act by providing for some flexibility in the in-hiring rates when tight labor market conditions make adjustments in those rates necessary. Section 801 of the Classification Act reads "All new appointments shall be made at the minimum rate of the appropriate grade." This requirement makes it extremely difficult for the Government to compete with private industry in certain geographical areas in obtaining occupational specialties which are in short supply. This condition, for example, exists at the present time in the case of engineering aids, dental technicians, tabulating equipment operators, and draftsmen.

The salaries paid by the Government to employees in these positions compare favorably, in general, with the nationwide average salary. In some localities, however, prevailing rates are somewhat higher than the minimum rates established for these positions under the Classification Act. Pursuant to the proposed legislation, the Civil Service Commission in such instances could raise the minimum rates to higher step rates in these grades until the entrance rates are in accord with prevailing local rates. This would permit the Government to compete on fairly equal terms for the services of qualified personnel.

The principle incorporated in this proposal has been successfully employed by the Army and Air Force for a number of years in administering wages for personnel not subject to the Classification Act. Under the latter system, a procedure exists whereby installations may seek the approval of in-hiring rates above the minimum established in regular locality wage schedules when these installations experience serious difficulty in recruiting personnel for specific ungraded jobs because the authorized rates for these positions are not in keeping with the prevailing wage rates in the locality. The number of cases approved for in-hiring above the minimum under this procedure has not averaged more than a fraction of 1 percent of all ungraded positions within the two Departments. However, it should be noted that compensation schedules for ungraded positions are based upon prevailing wage rates determined by periodic locality wage surveys as opposed to the nationwide pay schedule for Classification Act positions. This serves to minimize the number of cases which warrant rates above the minimum.

The Hoover Commission, in recommendation No. 17 of its report on personnel management, recognized the need for greater flexibility in the Federal pay structure and recommended that the hiring rate for any kind of work in any grade should be adjusted so as to meet current employment trends.

World War II demonstrated the results of an inflexible system which would not permit reasonable adjustments to meet competitive wage rates in certain local recruiting areas where a shortage existed in particular occupational specialties. Due to personnel losses attributable to more favorable job opportunities in private industry, supervisors were continually faced with serious difficulty in securing and retaining competent trained personnel.

Precedent exists for this legislation in section 8, War Overtime Pay Act of 1943 (57 Stat. 77), which authorized adjustments where disparity in alignment existed between the wage rates of supervisors occupying Classification Act positions and wage board employees under their supervision.

The authority granted by section 803 to the Civil Service Commission to establish rates above the minimum should be sufficiently flexible so that in a given area only those installations desiring to raise their in-hiring rates will be required to do so. In most circumstances the shortage of personnel requiring a

raise in the in-hiring rate will be general throughout an area. In some areas, however, situations may arise where an installation, because it is located away from transportation facilities or because of other reasons, has difficulty in attracting qualified personnel and may need to raise its in-hiring rates while those more favorably located may not wish to do so. We assume that the wording of section 803 (a) does provide for this flexibility. In the event, however, section 803 (a) is not so interpreted it is recommended that the wording be revised.

Title II, "Premium Compensation" contains very desirable amendments to the Federal Employees Pay Act of 1945 and will serve to bring Federal pay practices with regard to premium compensation for work in excess of 40 hours, call-back overtime, and night and holiday work, more in line with the treatment accorded employees in private industry. The Department of Defense urges the enactment of these provisions with the following recommended modifications:

1. The Department of Defense is opposed to that portion of the proposed amendment of section 302 of the Federal Employees Pay Act of 1945, as amended, starting on line 20, page 13, through the word "Act" on line 6, page 14. This amendment would increase the present double-time payments for holiday work to 2½ times the rate of basic compensation for those employees whose rate of basic compensation does not exceed the maximum scheduled rate for GS-9. The Department of Defense considers that the present double-time rate is adequate compensation for work on holidays and that the proposal to increase this compensation is both unnecessary and costly. Accordingly, it is recommended that the proposed amendments to section 302 be revised so as to provide for not more than double time for nonovertime work on a holiday.

2. With regard to the proposed amendment to section 604 of the Federal Employees Pay Act of 1945, the phrase "except where he determines such organization would be seriously handicapped in carrying out its functions or that costs would be substantially increased" contained on page 17, lines 15 through 17, is not considered to be a sufficiently broad description of the exceptions to the normal tour of duty which may be necessary in the military departments. It is believed that exceptions to a normal tour of duty are warranted not only when they constitute a serious handicap in carrying out an assigned function or when a substantial increase in costs is involved but also under other circumstances. For example, in some foreign countries in order to operate an office or installation in a manner consistent with local customs it is necessary to establish tours of duty that are normal for that country. For example, the normal tour of duty in Spain is from 9 a. m. to 1 p. m. and 4 p. m. to 7 p. m., with a 2-hour break in working hours. Accordingly, it is suggested, that the phrase quoted above be deleted and the following substituted: "except where he determines that deviations are necessary in order to carry out the functions of his organization efficiently and economically."

Title III, "Government employees' incentive awards," pages 18-21 of S. 2665 is highly desirable and necessary legislation. The principal difficulty with incentive awards in the Federal Government is that there are too many complex and conflicting programs, with some applicable only to employees subject to the Classification Act and not to wage board employees, with differing limitations on the amounts of awards which may be made, and with irrational and inadequate scales of awards. The inadequacies and inconsistencies of the present system of awards, it is believed, are correctly set forth in Senate Report 2101, 82d Congress.

Title III of S. 2665 would fully correct the existing inadequacies and consolidate into one logical act an incentive awards program for the Federal Government. It eliminates the present split responsibility between the Civil Service Commission and the Bureau of the Budget and logically fixes responsibility upon the Civil Service Commission for supervision of the program. The Department of Defense strongly urges the enactment of this title but suggests the following modifications:

1. On line 12, page 18, insert after the word "issued" the phrase "after consultation with the departments." Inclusion of this language will assure that the departments will have an opportunity to participate in the development of the regulations which will govern the operation of incentive-award programs.

2. On line 17, page 18, insert after the words "executive department," the words "military department" to assure that there will be no statutory limitations placed upon the authority of the heads of military departments to pay cash awards and develop and administer incentive-award programs.

Title IV, "Uniform allowances," would provide an allowance of up to \$100 per annum, for civilian employees of the United States who are required to wear uniforms in the performance of their duties. Weighing the benefits to be derived from this legislation against the President's policy of curtailing expenditures wherever possible, the Department of Defense does not recommend such legislation at this time.

Title V, repealing section 1310 of the Supplemental Appropriation Act, 1952, is considered by the Department of Defense to be one of the most important features of S. 2665. The purposes for which the Whitten amendment was enacted have largely been served now that the period of rapid expansion of the Federal Government is over and it would appear appropriate for the Congress to repeal this provision at this time. The Whitten amendment has caused and continues to cause serious administrative problems. It is believed that Senate Document 30, 83d Congress, "Analysis of the Whitten Amendment," describes in detail the administrative problems and inequities which arise out of that provision of law.

Particularly burdensome has been the substitution in the Whitten amendment of time-in-grade requirements for basic qualifications and the establishment of arbitrary quotas for permanent promotions.

To date the Department of Defense has not found it feasible to make any permanent promotions in the Department of Defense within the limits currently authorized in the Whitten amendment. This decision not to make permanent promotions has stemmed from three basic factors:

1. Only a relatively small percentage of the employees in the Department of Defense eligible for permanent promotions could be given permanent promotions and in some grades few or no promotions at all could be authorized.

2. The administration of a program which would provide for permanent promotions for that relatively small percentage of employees eligible would be extremely complex and costly to operate because of the need to establish and maintain a complicated worldwide quota control system, because of the huge number of installations and employees involved, and because of the geographical dispersion of the installations which comprise the military departments.

3. Any program which could be devised to make permanent promotions would be arbitrary in nature, unfair to large numbers of employees both within installations and between installations, and could cause widespread employee concern and unrest.

The basic inequity to which employees of the Department of Defense are subjected cannot be corrected by a quota system of permanent promotions. This inequity arises out of the fact that the Whitten amendment holds back the career employees of the Department from obtaining permanent promotions and at the same time encourages permanent transfers to the Department of Defense of employees from other agencies, the placement of separated career employees in permanent grades in the Department, and probational appointments of certain categories of employees. These actions all combine to limit the opportunities of career employees in the Department of Defense for permanent promotions to such an extent that repeal of the Whitten amendment appears to be the only means for fairly resolving the problem.

The Department of Defense considers title V of major importance to sound administration and equitable treatment of employees and strongly urges its enactment.

The Bureau of the Budget has indicated that it has no objection to the submission of this report.

Sincerely yours,

RICHARD A. BUDDEKE  
(For the Assistant Secretary).

GENERAL SERVICES ADMINISTRATION,  
Washington, D. C., March 5, 1954.

Hon. FRANK CARLSON,  
Chairman, Committee on Post Office and Civil Service,  
United States Senate, Washington, D. C.

DEAR SENATOR CARLSON: The following is submitted in response to your letter of January 19, 1954, by which you requested our views and comments on S. 2665, to amend the Classification Act of 1949, as amended, and the Federal Employees Pay Act of 1945, as amended, and for other purposes.

TITLE I—AMENDMENTS TO THE CLASSIFICATION ACT OF 1949, AS AMENDED

This title provides for the elimination of the present CPC schedule of the Classification Act of 1949, and the fixing of the pay of trade, craft, and manual-labor jobs engaged in buildings maintenance and operation in line with prevailing rates. An option is provided to permit Classification Act rates to be paid, subject to approval of the Civil Service Commission, in those areas where the number of jobs is so few as to make prevailing-rate determinations impractical. This

option could be used for our jobs in isolated operations such as at some of the border stations.

Title I also revises the limitation on the number of positions which may be allocated to grades GS-18, GS-17, and GS-16. The limitation has been raised from 400 to 700. Restrictions as to the numbers which may be allocated at each grade level, within the overall quota of 700, have been omitted.

Further, title I extends the longevity pay increases of the Classification Act to people in grades GS-11 through GS-15. It also authorizes the Civil Service Commission to adjust minimum rates of grades to attract eligibles for vacancies for which qualified personnel could not otherwise be obtained. The General Services Administration favors the enactment of all provisions of title I.

*Prevailing rates for trade, craft, and manual labor jobs*

As indicated in my letter to you dated June 30, 1953, giving our views and comments on S. 192, the payment of prevailing rates for trade, craft, and manual-labor jobs engaged in buildings maintenance and operation, will eliminate the severe inequities which now exist. There are now approximately 770,000 trade, craft, and manual labor jobs in the Federal Government for which wages are fixed in accordance with prevailing rates.

On the other hand, there are approximately 69,000 Federal jobs in trade, craft, and manual-labor occupations, engaged in the maintenance and operation of public buildings and associated equipment, the pay for which is currently required to be fixed in accordance with the craft, protective, and custodial schedule of the Classification Act of 1949. There are approximately 15,000 such jobs in the GSA. Placing these jobs on a prevailing rate basis will enable their pay to be fixed equitably with the much greater number of trade, craft, and manual-labor jobs which are already being paid on this basis.

At the present, in some localities trade, craft, and manual-labor workers, under the CPC schedule of the Classification Act, are receiving less than local prevailing rates while other Federal workers having comparable duties receive prevailing rates. This discrimination is not only unjust and impairs employee morale and productivity, but it is also confusing to private industry and the general public.

The present inequity between CPC and prevailing rates in many localities also creates other difficulties in the buildings management operations carried on throughout the country by the Public Buildings Service of the GSA. Well-qualified, skilled mechanics are not attracted to Federal employment in localities where the jobs for which they are needed are paid less than prevailing rates. The placing of all our trade and craft jobs on prevailing rates would materially aid us in the recruitment and retention of well-qualified employees.

In its survey of 42 GSA-operated public buildings, the National Association of Building Owners and Managers made the following comments and recommendation:

"PBS is required by law to pay the same wages throughout the country, without regard to local wage rates. As a result in many cities Government wages are higher than those paid by commercial buildings, while in a few they are less. Generally the Government pays more for unskilled labor, such as janitors and elevator operators, that includes over 60 percent of PBS employees. For skilled labor, such as engineers and tradesmen, the Government wages are low and as a result PBS has difficulty securing good people in these classifications.

"Because of the Government policy of paying the same wages throughout the country—a matter of law which could only be changed by congressional action—PBS pays in these 42 buildings \$3,100,000 per year in excess wages over local market prices. While it might not be possible or desirable to reduce wages of present employees BMA urges the advisability of a more realistic determination of wage schedules so that replacements and new employees can be hired in line with local employment conditions."

Enclosed is a copy of the report of the National Association of Building Owners & Managers. The information quoted above appears on pages 11 and 18 of the report.

There are several ways by which we think title I of S. 2665 should be strengthened. First we believe that section 105 should be expanded to include a clear authorization to the Civil Service Commission for the development and administration of a system which would assure federalwide coordination and consistency in the fixing of wage rates for trade, craft, and manual-labor occupations. Such a system would provide uniform policies and procedures for the evaluation of jobs, coordination in the conduct of locality wage surveys, consistency in the analysis and interpretation of wage data, and the promulgation of locality wage



schedules applicable to all Federal jobs in a community having comparable duties and responsibilities.

Based on past experience with trade, craft, and manual-labor jobs already paid on a prevailing rate basis, unless an overall system is prescribed and developed, different agencies in the same locality will have different wage administration procedures affecting the same kinds of jobs, and different wage rates for such jobs will result. This situation would cause the benefits which title I of S. 2665 has been designed to produce to be materially diminished.

There is another way in which we feel that the benefits which title I of S. 2665 was designed to produce could be greatly enhanced. This would be accomplished by adding a provision for the fixing of wages for trade, craft, and manual-labor employees in the postal field service, who are engaged in buildings maintenance and operation, on the basis of prevailing rates like that provided for employees of this and other agencies who have comparable duties and responsibilities.

At the present, postal field service employees engaged in the maintenance and operation of post office buildings are fixed by Public Law 134, 79th Congress, as amended. Public Law 134, as amended, provides more liberal salaries for many types of buildings operation and maintenance employees in the postal field service than are now provided for similar workers in this and other agencies who are paid under the CPC schedules of the Classification Act.

Placing CPC employees on a prevailing-rate basis, without a similar provision for like employees in the postal field service, would only serve to intensify and complicate the present pay disparities between the two groups. We see no reason why locality wage schedules applicable to GSA carpenters, electricians, and laborers engaged in the maintenance and operation of buildings should not also apply to postal workers having similar duties.

We suggest that section 106 of title I of S. 2665, which saves the existing compensation of CPC people being placed on prevailing rates, so long as they continue to occupy the same position, be broadened to specify that compensation includes the present night differential rate now being received by such employees under the Federal Employees Pay Act of 1945, as amended. If this is not done, it is possible that a night differential set for a particular job in line with prevailing industry practice, would be less than the employees now receive.

#### *GS-18, GS-17, and GS-16 positions*

We believe that, although the need for providing compensation for Federal officials commensurate with that paid executives in private industry has long been recognized as a matter of critical importance to the obtaining of the best talent possible for the conduct of the Government's affairs, there is much that must be done to implement this recognition in terms of actually making higher salaries available.

S. 2665, in raising the limitation on the number of positions which may be allocated to grades 18, 17, and 16 from 400 to 700, is a move in the direction of making such higher salaries available and one which we believe will redound to the betterment of the Federal service generally.

The omission of any restrictions within the overall quota of 700, as to the number of positions which may be allocated at each of the three levels is also highly desirable. Grade-level quotas, such as those imposed by the existing law, cause inequities in the evaluation and grading of GS-18, GS-17, and GS-16 positions.

At the present, two positions of equal difficulty, responsibility, and importance may, because of the restrictions, have to be placed in different grade levels. A position that clearly warrants GS-17 may have to be allocated to GS-16 because of lack of GS-17 spaces. Without such restrictions it will be possible to classify GS-18, GS-17, and GS-16 positions more in line with the principle of equal pay for equal work.

There are a number of positions in the GSA which we strongly believe are allocable to GS-18, GS-17, and GS-16 which cannot now be correctly placed in these grades under the present Classification Act quota. This has resulted in some inequities in the allocation of our key positions which S. 2665 may make it possible to adjust.

#### *Longevity increases for grades GS-11 through GS-15*

Section 102 (g) of title I of S. 2665 extends longevity benefits to employees in grades GS-10 through GS-15. We favor this provision as we feel that increases for people who perform long, efficient, and faithful service in these grades should be entitled to the same rewards for such service as are presently provided for those in the lower grades.



*Adjustment of minimum rates of grades*

Authorizing the Commission to adjust the minimum rates of grades to attract qualified eligibles for positions which could not otherwise be filled, as provided by section 102 (j), will enable the Federal Government to obtain and retain qualified people without distorting the system provided by the Classification Act for the evaluation and grading of positions in terms of their relative difficulty, responsibility, and importance.

TITLE II—PREMIUM COMPENSATION

We have noted that title II of S. 2665, on all matters in which the GSA is concerned, contains provisions in line with the recommendations of the joint report of the Bureau of the Budget and the Civil Service Commission which was submitted to the Senate Post Office and Civil Service Committee early in August of 1951. In this respect, title II also incorporates the provisions on premium compensation which were included in S. 354 of the 82d Congress as favorably reported upon with amendments by the Senate Post Office and Civil Service Committee.

Our review of the Budget Bureau-Civil Service Commission report, and of Senate Report No. 843 of the 82d Congress, indicates that the present provisions of S. 2665 are based upon comprehensive study of premium-pay problems throughout the Federal service and of premium-pay practices in State and municipal government and private industry. In view of this and in consideration of our own experience, we feel that the enactment of title II will provide greater equity in payment of premium compensation to Federal employees, as well as alleviate a number of problems currently involved in the administration of the Federal Employees Pay Act of 1945, as amended.

TITLE III—GOVERNMENT EMPLOYEES' INCENTIVE AWARDS

We concur in the provisions of title III of S. 2665 to the extent it provides for a unification of the present several incentives programs into one system and the repeal of existing legislation. The providing of cash awards in lieu of superior accomplishment pay increases now authorized by section 702 of the Classification Act of 1949, as amended, is a more equitable method of compensating Government employees at all levels who, by their suggestions, inventions, or superior accomplishments, contribute to the improvement of Government operations.

The title also provides, however, that regulations and instructions governing department awards be issued by the United States Civil Service Commission. This provision is similar to one included in previously proposed legislation introduced as Senate bill S. 3492 of the 82d Congress. In a letter dated September 22, 1952, commenting on that bill, this Administration replied as follows:

"We feel that the incentive awards program should in no way be separated from the goals of economical and efficient operation in the executive branch of the Government. By relating Federal incentive awards activities with the programs and responsibilities of the Civil Service Commission, as recommended in the report and as proposed by the bill, considerable of the potential worth of the awards program in assisting in the improvement of management in the respective departments may not be realized. The great value of incentives in improving employee morale, in developing a more alert working force, and in leading to safer working conditions, is fully recognized by this Administration. The incentives program, however, should be identified as neither a personnel nor a budgetary stimulant. For this reason, we advocate the omission of any provision in the proposed legislation which would place responsibility for the operation of the program in either the Civil Service Commission or the Bureau of the Budget. We feel that the location of the program should be left to the administrative decision of the President and that this should be so provided in the legislation."

Experience during the past year has shown that the GSA incentive awards system is becoming more and more an effective management improvement tool. We would not want to see any change made that might weaken this effectiveness.

TITLE IV—UNIFORM ALLOWANCES

The GSA has authority to purchase, repair, and clean uniforms for civilian employees of the GSA who are required by law or regulation to wear uniform clothing. It has been our practice to provide such clothing and upkeep by contract. In Washington, D. C., where the workload justifies, a number of tailors are employed for fitting and repairing.

executive level, the organizational location of such a responsibility is subject to question. The incentive-awards program has a relationship to the general personnel program of the Government, but it is more importantly an integral part of the management improvement effort. Government and industry have found that a major stimulation to increased efficiency, economies in operation and better management is some system of financial and honorary recognition of the contributions of individual employees. Since responsibility for the general management improvement program is lodged in the Bureau of the Budget, we feel that the incentive-awards phase should also be centered there. This Department has organized its program on this basis and feels that the executive level organization should follow a similar pattern. If this course is followed, we would like to see a strengthening of this function in the Bureau of the Budget to bring about an improvement of results governmentwide.

With the suggestions as noted above, the Department of the Interior recommends in favor of this proposed legislation. The Bureau of the Budget has advised that there is no objection to the presentation of this report to your committee.

Sincerely yours,

D. OTIS BEASLEY,  
*Administrative Assistant Secretary of the Interior.*

DEPARTMENT OF JUSTICE,  
OFFICE OF THE DEPUTY ATTORNEY GENERAL,  
Washington, February 25, 1954.

Hon. FRANK CARLSON,  
*Chairman, Committee on Post Office and Civil Service,  
United States Senate, Washington, D. C.*

DEAR SENATOR: This is in response to your request for the views of the Department of Justice relative to the bill (S. 2665) to amend the Classification Act of 1949, as amended, and the Federal Employees Pay Act of 1945, as amended, and for other purposes.

The bill would abolish the crafts-protective-custodial classification and substitute therefor the prevailing-wage methods payment of compensation for some employees now included under CPC while other employees under such classification would be transferred to general schedule classification. Also, the bill would include a number of beneficial provisions such as longevity salary increases for employees in grades up to and including GS-15; so-called true overtime rates up to grade GS-9; premium pay of 2½ times the usual rate for holiday work; premium compensation for irregular overtime, nightwork, and for standby services; a single incentive awards system; allowances of not to exceed \$100 per annum to employees required to wear uniforms for the acquisition and upkeep of such uniforms; and repeal of the so-called Whitten amendment (sec. 1310 of the Supplemental Appropriation Act of 1952, as amended (5 U. S. C. 43 note)) requiring temporary appointments and placing limitations on promotions.

The Department of Justice is, generally, in accord with the purposes of the bill. There are certain provisions of the measure, however, which might be clarified.

In section 202 (c) of the bill (p. 11) relating to compensation for overtime work, it is suggested that the word "ordered" be inserted before the word "overtime" in lines 12 and 17 so as to make clear this is not voluntary irregular or occasional overtime.

Section 202 (e) of the bill (pp. 12, 13), authorizing compensation for night and holiday work, provides that the section shall not operate to modify the provisions of the act of July 1, 1944, or any other law authorizing additional compensation for night work. No such exception appears in section 202 (b) of the bill, which relates to overtime work generally. The payment of extra compensation for inspectional services by employees of the Immigration and Naturalization Service of this Department is established by the act of March 2, 1931 (5 U. S. C. 342c and 342d). The existing Federal Employees Pay Act of 1945, as amended, in section 601 (5 U. S. C. 941) contains specific language to the effect that its provisions shall not operate to prevent payment for overtime services or extra pay in accordance with the act of March 2, 1931. The latter is not specifically repealed or amended by the bill now under consideration. It is assumed therefore that the provisions of the bill would have no effect upon the payment of overtime compensation, etc., under the act of March 2, 1931. However, for the sake of clarity, it might be

advisable to include specific language in section 202 (b) of the bill to obviate any possible conflict between the bill and the terms of the act of March 2, 1931.

Section 402 of the bill (pp. 21, 22), relating to uniform allowances, provides that not to exceed \$100 per annum shall be paid for defraying the expenses of "acquisition and upkeep" of such uniforms. As now worded, the allowance for upkeep could be used only in conjunction with private acquisition of uniforms and would not cover those cases in which uniforms are furnished at Government expense. In order to cover all cases requiring upkeep of uniforms it is suggested that the word "and" in line 5 on page 22 be changed to "or."

The Bureau of the Budget has advised that while there is no objection to the submission of this report, it invited particular attention to its recommendation against favorable consideration at this time of title IV of the bill and other pending proposals like title IV.

Sincerely,

WILLIAM P. ROGERS,  
Deputy Attorney General.

UNITED STATES DEPARTMENT OF LABOR,  
OFFICE OF THE SECRETARY,  
Washington, D. C., February 25, 1954.

The Honorable FRANK CARLSON,  
Chairman, Post Office and Civil Service Committee,  
United States Senate, Washington 25, D. C.

DEAR SENATOR CARLSON: This is in reply to your letter of January 12, 1954, requesting my comments on S. 2665, a bill to amend the Classification Act of 1949, as amended, and the Federal Employees Pay Act of 1945, as amended, and for other purposes.

The proposed legislation would augment the pay benefits of employees of the Federal Government by (1) increasing, from \$2,980 per annum to \$5,810 per annum, the maximum rate on which time and one-half the regular hourly rate of pay for Federal employees for hours worked in excess of their regularly scheduled hours of employment can be computed; and (2) increasing premium compensation for work performed on specified holidays. It would also increase the number of supergrade positions—GS-16, 17, and 18—from 400 to 700, strengthen the incentive awards program, expand the longevity step-increase provisions of the Classification Act to include grades GS-11 through GS-15, abolish the schedule for crafts, protective and custodial workers (transferring some of these employees to the general schedule but excluding the majority from the application of the Classification Act and making them subject to wage determinations on a prevailing rate basis) and repeal section 1310 of the Supplemental Appropriation Act of 1952, the so-called Whitten rider. The proposed amendments are designed to liberalize existing personnel practices and procedures in order that the benefits of Federal employees may be made more equitable and the pay structure more nearly consistent with practices in private industry.

I am wholeheartedly in favor of the general objectives of S. 2665 and recognize the worthwhileness of effecting needed improvements in the civil service laws. However, I believe that the proposal would be improved by the changes suggested in the reports of the Chairman of the Civil Service Commission and the Director of the Bureau of the Budget.

I approve the enactment of S. 2665, with the amendments discussed above.

The Bureau of the Budget advises that it has no objection to the submission of this report.

Yours very truly,

JAMES P. MITCHELL, Secretary of Labor.

OFFICE OF THE POSTMASTER GENERAL,  
Washington 25, D. C., February 24, 1954.

Hon. FRANK CARLSON,  
Chairman, Committee on Post Office and Civil Service,  
United States Senate.

DEAR MR. CHAIRMAN: Reference is made to your request for a report on S. 2665, a bill to amend the Classification Act of 1949, as amended, and the Federal Employees Pay Act of 1945, as amended, and for other purposes. Title I of this bill amends the Classification Act of 1949.

(1) By converting positions in the crafts, protective, and custodial schedule to the general schedule under the Classification Act of 1949, and adjusts the rates of pay of the positions so converted;

(2) Increases from 400 to 700 the number of positions authorized to be placed in grades GS-16, 17, and 18, and removes the restriction on the number of positions which may be placed in each of these grades;

(3) Permits the establishment of entrance rates higher than the minimum rate of the grade for positions in shortage categories; and

(4) Authorizes longevity step increases in grades GS-11 through GS-15.

The Post Office Department supports the enactment of title I of this bill but wishes to point out that the portion of the title which permits hiring at higher than the minimum entrance rates for positions in shortage categories may result in employee relations problems among those employed at the present rates.

Title II of this bill amends the Federal Employees Pay Act of 1945 by revising the overtime, night, and holiday pay provisions, and adding new provisions providing premium pay for standby service and for irregular and unscheduled overtime duty. The Department is in accord with most of the objectives of this title, but is opposed to the provision for holiday pay. This provision runs counter to general practices in industry by providing double time and one-half pay for employees who are regularly scheduled to work on holidays instead of the usual double time. The holiday pay provision further would set up an inequity by paying employees for whom holiday work is not overtime at the same rate as those for whom the holiday work is also overtime work. The Department also questions the payment of overtime to employees who, because of the nature of their positions, can control their own overtime. Many employees in and above GS grade 9 are in such positions and would become eligible for premium pay for overtime under the provisions of this title.

Title III of this bill establishes a new "Government Employees Incentive Awards Act." It consolidates all the laws for all types of awards and places direction of the governmentwide incentive awards program within the Civil Service Commission. The Department supports title III of this bill. It is assumed that the executive departments of the Government will have maximum flexibility in administering such programs.

Title IV of this bill proposes a cash allowance of \$100 for each employee required by law or regulation to wear a uniform in the performance of official duty. The regulations with respect to this allowance are to be prescribed by the Director of the Bureau of the Budget. The Post Office Department does not favor this proposal at the present time. The overriding consideration in reaching this conclusion is the cost to the Department. It is estimated that there are about 133,000 employees in the Department who would be affected by this provision. There have been several estimates of the cost of uniforms, depending upon the regulation prescribed by the head of the agency, but it is estimated the cost per uniform would be about \$100 per annum. Using this unit-cost estimate the annual cost to the Post Office Department for all employees required to wear uniforms would be about \$13,300,000.

Title V of this bill would repeal section 1310 of the Supplemental Appropriation Act, 1952, (Public Law 253, 82d Cong.) as amended. The Post Office Department strongly endorses title V of this bill.

The Whitten amendment has been a materially adverse factor in field hiring and in keeping down turnover. In view of the steady but regular growth of the Post Office, reflecting the basic growth in the American economy, there is no reason for the application of such a restriction to this Department. Relief from this restriction will enable the Department to move toward its objective of regularizing employment and tenure by converting many substitutes and indefinites to full-time employment with civil-service status. Such action will make possible material savings through providing secure employment to thousands of clerks and carriers, thus reducing turnover and enabling us to increase skills and productivity through the use of experienced employees. There are approximately 70,000 employees now performing full-time work who in part because of the Whitten amendment cannot be given regular appointments.

The Bureau of the Budget has advised that there would be no objection to the submission of this report to the committee.

Sincerely yours,

C. R. Hook, Jr.,  
Acting Postmaster General.

DEPARTMENT OF STATES,  
Washington, February 24, 1954.

Hon. FRANK CARLSON,  
Chairman, Committee on Post Office and Civil Service  
United States Senate

MY DEAR SENATOR CARLSON: Reference is made to your letter of January 12, 1954, requesting the views and comments of the Department of State on S. 2665, to amend the Classification Act of 1949, as amended, and the Federal Employees Pay Act of 1945, as amended, and for other purposes.

The Department endorses all the provisions of S. 2665. It does recommend, however, that the language be amended in section 202 (a) (p. 11) to clarify the intent that compensatory time in lieu of payment for overtime work be granted on a straight hour-for-hour basis.

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this report.

Sincerely yours,

THRUSTON B. MORTON,  
Assistant Secretary  
(For the Secretary of State).

TREASURY DEPARTMENT,  
Washington, D. C., March 5, 1954.

Hon. FRANK CARLSON,  
Chairman, Committee on Post Office and Civil Service,  
United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: Further reference is made to your letter of January 12, 1954, requesting a statement of this Department's views on S. 2665, to amend the Classification Act of 1949, as amended, and the Federal Employees Pay Act of 1945, as amended, and for other purposes.

The proposed legislation would make several important amendments in both the Classification Act of 1949 and the Federal Employees Pay Act of 1945.

In general, the Treasury Department endorses the provisions of S. 2665 and it supports the position of the Civil Service Commission on the bill as set forth in the letter to your committee from the Chairman of the Civil Service Commission. There is attached a memorandum which sets forth in detail the Treasury Department's comments on S. 2665.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

M. B. FOLSOM,  
Acting Secretary of the Treasury.

#### MEMORANDUM TO ACCOMPANY REPORT ON S. 2665

##### TITLE I

The Treasury Department endorses:

- (1) The extension of the prevailing wage rate principle to crafts and related jobs now under the Classification Act, thereby placing all crafts and related jobs in one pay category;
- (2) The elimination of present restrictions on the number of positions which may be placed in each level of GS-16, 17, and 18;
- (3) The increase from 400 to 700 of the number of supergrades authorized by the Classification Act of 1949;
- (4) The extension of longevity increases to employees above GS-10; and
- (5) The authorization to the Civil Service Commission to make temporary adjustments of minimum pay rates to recruit and retain needed personnel.

##### TITLE II

The Treasury Department endorses:

- (1) The payment of overtime compensation, at 1½ times regular rate, to employees in all grades up to and including GS-15, providing the maximum overtime rate for all grades where concerned will be the maximum rate for GS-9;
- (2) The payment of minimum compensation for call-back overtime as 2 hours pay;
- (3) The principle of paying employees in a travel status only for their regularly scheduled workweek, which may include regularly scheduled overtime; providing,

they may also be paid for traveling time outside of these regularly scheduled hours if they are required to perform work while traveling, or if the traveling is done under arduous conditions;

(4) The principle of granting operating departments authority, within specified limitations, to determine nightwork hours in light of prevailing conditions at locations outside the United States;

(5) The payment of minimum compensation for 2 hours pay for any work on a holiday;

(6) The payment of additional compensation, in lieu of overtime night and holiday pay, to employees with long tours of standby duty, at rates up to 25 percent of base pay rates not exceeding the maximum rate of GS-9;

(7) The payment for irregular and unscheduled overtime and holiday work of additional compensation not in excess of 15 percent of rates not exceeding the maximum rate of GS-9 to employees whose hours are not subject to usual administrative control and whose duties require substantial amounts of unscheduled overtime, night and holiday pay; and

(8) The principle of limiting total pay of Classification Act employees in GS-15 and below to regular pay plus premium pay not in excess of the maximum rate of GS-15 and the principle of denying premium pay to employees in GS-16, 17 and 18.

#### TITLE III

The Treasury Department endorses the payment of incentive awards and believes that this consolidation of laws, with the improvements and simplifications added, will help facilitate the awards program.

#### TITLE V

The Treasury Department endorses the repeal of the so-called Whitten amendment.

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington 25, D. C., June 4, 1954.

HON. FRANK CARLSON,  
Chairman, Committee on Post Office and Civil Service,  
United States Senate, Washington 25, D. C.

MY DEAR MR. CHAIRMAN: Reference is made to your request of May 25, 1954, for the views of this Office with respect to S. 3507, a bill to authorize the Civil Service Commission to make available group life insurance for civilian officers and employees in the Federal service, and for other purposes.

This bill would provide each eligible civilian employee of the legislative, executive, and judicial branches who desires such protection with an amount of group life insurance approximating his annual salary but not in any case to exceed \$20,000. In the event of accidental death this protection would be doubled, and in the event of dismemberment, payments would be made in accordance with schedules to be set up by the Civil Service Commission. Employees leaving the Government would be able to convert their life insurance to individual policies at standard rates and without medical examination. Employees retiring on immediate annuity such as disability after 15 years' service would continue their full life insurance to age 65 without further cost to them. After age 65 the insurance amount for each employee and annuitant would be reduced to an ultimate amount equal to 25 percent of the full insurance.

The cost of the insurance would be shared by the Government and the participating employees on a payroll deduction basis. The premium per thousand would be not to exceed a biweekly rate of 25 cents from the employee, and not to exceed one-half the employee rate from the Government.

The Civil Service Commission is authorized to purchase, without regard to section 3709 of the Revised Statutes, group life, accidental death, and dismemberment insurance from 1 or more life insurance companies licensed in all 48 States and in the District of Columbia provided the employee group life insurance in force in each company is equal to at least 1 percent of the total employee group life insurance in force in the United States in all life insurance companies. The Commission is also authorized to arrange for reinsurance in accordance with a specified formula. Experience under the policy is to be reviewed annually and premiums adjusted as necessary.

The Commission is also authorized to arrange for assumption of existing life insurance agreements with retired or separated members of any nonprofit Federal

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employee's association which terminates life insurance agreements with all its members within 1 year, and transfers appropriate assets to the Government.

It is believed that the provision of employee group life insurance on a voluntary basis for Federal employees is a desirable move in applying the best practices of progressive private employers to the Government service.

The Bureau of the Budget recommends favorable consideration of S. 3507 by your committee to carry out the President's recommendation of May 19, 1954, that employee group life insurance be made available to Federal employees.

Sincerely yours,

DONALD R. BELCHER, *Assistant Director.*

COMPTROLLER GENERAL OF THE UNITED STATES,  
*Washington 25, D. C., June 21, 1954.*

HON. FRANK CARLSON,  
*Chairman, Committee on Post Office and Civil Service,  
United States Senate.*

DEAR MR. CHAIRMAN: Reference is made to your letter of May 25, 1954, acknowledged by telephone May 26, requesting the views and comments of the General Accounting Office pertaining to S. 3507, 83d Congress, 2d session, entitled "A bill to authorize the Civil Service Commission to make available group life insurance for civilian officers and employees in the Federal service, and for other purposes."

Various suggestions were made by the General Accounting Office to the Bureau of the Budget on a draft of this bill and representatives of the General Accounting Office thereafter participated with representatives of that Bureau and other agencies in revising the draft bill. Most all of the suggestions of this Office were adopted in the preparation of the final draft, with which S. 3507 appears to be identical. It is believed that S. 3507 will carry out the intent of the present administration to provide group life insurance for civilian officers and employees in the Federal service.

Whether the Federal Government should make available group life insurance for its civilian officers and employees is a matter of policy primarily for determination by the Congress and one on which I do not feel required to express a view.

Five copies of this report are furnished, as requested.

Sincerely,

FRANK H. WEITZEL,  
*Acting Comptroller General of the United States.*

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,  
*Washington 25, June 10, 1954.*

HON. FRANK CARLSON,  
*Chairman, Committee on Post Office and Civil Service,  
United States Senate.*

DEAR MR. CHAIRMAN: This letter is in response to your request of May 26, 1954, for a report on S. 3507, a bill to authorize the Civil Service Commission to make available group life insurance for civilian officers and employees in the Federal service, and for other purposes.

This bill is designed to carry out recommendations made in the President's message of May 19, 1954, to the Congress proposing a program of contributory group life insurance for Federal civilian employees (H. Doc. No. 398, 83d Cong.). (The bill would include, in addition to regular group life insurance, group accidental-death insurance and dismemberment insurance.)

The principle of making group life and group accidental-death and dismemberment insurance available to employees, which enables employees to obtain this type of protection at relatively low cost and, in some cases, when they would not be able to obtain individual insurance at all, is one which has been widely adopted by private industry. We believe that adoption of this principle by the Federal Government would add a substantial element in the establishment of a well-rounded personnel program for the Federal career system, would enhance employee morale, would tend to reduce excessive employee turnover, and would have the virtue of giving employees some survivorship protection during the qualifying period under the civil service retirement system.

Inasmuch as the bill would be administered by the Civil Service Commission, we have not undertaken to submit in this report a technical analysis of the bill.



We assume that such an analysis is being submitted by the Civil Service Commission in its report on the bill and in its testimony.

However, there are two points to which we should like to invite your committee's attention.

Section 2 (b) of the bill provides that it shall not "apply to commissioned officers and enlisted personnel on active duty in or with the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States, who have indemnity coverage under the Servicemen's Indemnity Act of 1951 (65 Stat. 33)." However, the Servicemen's Indemnity Act also provides for coverage under that act for "commissioned officers of the Public Health Service while entitled to full military benefits as provided in section 212 (a)" of the Public Health Service Act (42 U. S. C. 213) and in certain cases also for commissioned officers of the Coast and Geodetic Survey. While commissioned officers of the Public Health Service, when on detail to one of the armed services mentioned in the present bill, might be considered as on active duty "with" one of such services, they can also become entitled to full military benefits under section 212 of the Public Health Service Act, and hence to coverage under the Servicemen's Indemnity Act of 1951, with respect to service at certain other times. Since the bill does not exclude them, such officers, when entitled to full military benefits, would thus be authorized protection under both insurance programs. We assume that this was not contemplated.

Moreover, the Servicemen's Indemnity Act provides, among other things, that it shall apply to a person called to active duty in one of the Armed Forces for a period exceeding 30 days and shall continue to apply to such a person for a period of 120 days after his separation or release from active duty. Under this provision, a civil-service employee immediately returning to his civil-service position after a tour of active duty with one of the Armed Forces would have insurance coverage under both the proposed bill and the Servicemen's Indemnity Act for a period of 120 days. We assume that this double protection is not contemplated.

If your committee should decide to amend the bill in order to preclude such overlappings of life-insurance protection, we should be pleased, in cooperation with the Civil Service Commission and other agencies concerned, to furnish technical assistance for that purpose if the committee should so desire.

We wholeheartedly endorse the objectives of the bill, and recommend favorable consideration of the bill, together with such amendments as may appear desirable in the light of the above comments.

The Bureau of the Budget advises that it perceives no objection to the submission of this report to your committee and that it recommends favorable consideration of the bill.

Sincerely yours,

NELSON A. ROCKEFELLER,  
*Acting Secretary.*

OFFICE OF THE POSTMASTER GENERAL,  
Washington, D. C., June 6, 1954.

Hon. FRANK CARLSON,  
*Chairman, Committee on Post Office and Civil Service,  
United States Senate.*

DEAR MR. CHAIRMAN: Reference is made to your request for a report on S. 3507, a bill to authorize the Civil Service Commission to make available group life insurance for civilian officers and employees in the Federal service, and for other purposes.

The installation of a group-insurance plan in the Federal service will meet a long-felt need. Private industry for many years has successfully utilized group insurance to provide increased security for regular employees and to improve the standing of industrial employment in the eyes of prospective applicants. This bill and other forward-looking legislation which provide attractive conditions of employment in the civil service are in the best interests of the Federal Government as an employer.

Generally, the proposed bill adequately covers the administrative requirements for a successful system of group insurance. It is desired, however, to make specific comments with reference to certain provisions for purposes of clarification and to invite attention to certain points for consideration. For convenience these comments are arranged in the order of the numbered sections of the bill.

Section 2 (a) provides that all officers and employees of the executive, judicial, and legislative branches of the Government shall come within the purview of this act at such time and under such conditions of eligibility as the Civil Service Commission may by regulation prescribe. Regulations excluding employees on

the basis of the nature and type of employment or conditions pertaining thereto may be made only after consultation with the head of the employing authority concerned. It is assumed that this exclusion will be applied to temporary employees such as temporary substitutes who are employed for short periods of duty and whose post office employment is only incidental to their main source of income. These employees have been excluded in computing the estimated cost to this Department which would result from the enactment of this measure.

The proviso in section 2 (a), requiring consultation with the head of the employing agency before the promulgation of regulations excluding employees, is regarded by this Department as a worthwhile provision to assure that employees engaged in the same duties as other employees covered, on a regular tour of duty, and otherwise eligible under the provisions of the act, will not be excluded solely because of the civil-service authority under which they were appointed. This proviso will also be the means for the establishment of the practice, already in wide use in private industry, of having employees acquire eligibility for group insurance only after the completion of a reasonable minimum period of satisfactory service. Each of the foregoing features is considered to be important, respectively, as a factor in maintaining good employee morale, and as a means of avoiding excessive administrative costs.

Section 5 (a) provides that there shall be withheld from each salary payment the employee's share of the cost of his insurance at a rate not to exceed 25 cents biweekly for each \$1,000 of his group life insurance. In the absence of administrative procedure for making these collections, it is difficult to estimate the cost. However, it is believed that postal expenditures will be increased at least \$100,000 annually to comply with this section.

Section 5 (b) of this measure provides that there shall be contributed from the appropriation which is used for payment of his salary a sum not to exceed one-half of the amount withheld from the employee under this section. Based on the assumption that 75 percent of eligible postal employees would participate in the group-insurance plan at the maximum amount for which they would be eligible under the schedule in section 3 (a), and that the maximum rate of 12½ cents per thousand be determined by the Commission, it is estimated that the annual increase in postal expenditures under this provision would amount to approximately \$5,700,000.

The favorable low rate to the employee and the provisions for continuing the insurance after retirement from the Federal service make the proposed plan very attractive and should result in maximum participation. The added cost to this Department would be a proper charge to postal expenditures. As suggested hereinbefore, the results of the inauguration of the insurance plan provided for in this proposal would be beneficial both to the employees and to the Federal Government.

This Department has no objection to the enactment of this bill.

The Bureau of the Budget has advised that there would be no objection to the submission of this report to the committee.

Sincerely yours,

CHARLES R. HOOK, Jr.,  
Deputy Postmaster General.

DEPARTMENT OF THE TREASURY,  
Washington, June 8, 1954.

Hon FRANK CARLSON,  
Chairman, Committee on Post Office and Civil Service,  
United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: Reference is made to your letter of May 25 requesting our views on S. 3507, a bill to authorize the Civil Service Commission to make available group life insurance for civilian officers and employees in the Federal service, and for other purposes.

The Treasury Department favors enactment of the proposed legislation to carry out the plan recommended by the President in his message of May 19, 1954.

Very truly yours,

M. B. FOLSOM,  
Acting Secretary of the Treasury.

## CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill (joint resolution) as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

## CLASSIFICATION ACT OF 1949, AS AMENDED

## TITLE II—COVERAGE AND EXEMPTIONS

\* \* \* \* \*

SEC. 202. This Act (except title XII) shall not apply to—

\* \* \* \* \*

(7) employees in recognized trades or crafts, or other skilled mechanical crafts, or in unskilled, semiskilled, or skilled manual-labor [occupations, (except such employees in positions to which the Classification Act of 1923, as amended, now applies, the duties of which involve the maintenance and operation of public buildings and associated equipment, or the performance of work in scientific or engineering laboratories as aides to scientists or engineers)] *occupations, and other employees including foremen and supervisors in positions having trade, craft, or laboring experience and knowledge as the paramount requirement, and employees in the Bureau of Engraving and Printing the duties of whom are to perform or to direct manual or machine operations requiring special skill or experience, or to perform or direct the counting, examining, sorting, or other verification of the product of manual or machine [operations, whose compensation] operations: Provided, That the compensation of such employees shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates: Provided further, That whenever the Civil Service Commission concurs in the opinion of the employing agency that in any given area the number of such employees is so few as to make prevailing rate determinations impracticable, such employee or employees shall be subject to the provisions of the Classification Act of 1949, as amended, which are applicable to positions of equivalent difficulty or responsibility;*

\* \* \* \* \*

SEC. 204. (a) \* \* \*

\* \* \* \* \*

(c) [Sections 202 and] *Section 202 (except paragraph 7 thereof) and section 203 shall not apply to the Office of the Architect of the Capitol.*

\* \* \* \* \*

[SEC. 505: (a) No position shall be placed in Grade 16 or 17 of the General Schedule except by action of, or after prior approval by, the Commission. At any one time there shall not be more than three hundred positions in Grade 16 of the General Schedule and not more than seventy-five positions in Grade 17 of the General Schedule.

[(b) No position shall be placed in or removed from Grade 18 of the General Schedule except by the President upon recommendation of the Commission. There shall not be more than twenty-five positions in such grade at any one time.]

*SEC. 505: (a) No position shall be placed in grade 16 or 17 of the General Schedule except by action of, or after prior approval by, the Commission.*

*(b) No position shall be placed in or removed from grade 18 of the General Schedule except by the President upon recommendation of the Commission.*

*(c) At any one time there shall not be more than four hundred positions in grade 16 of the General Schedule, not more than one hundred and fifteen positions in grade 17 of the General Schedule, and not more than thirty-five positions in grade 18 of the General Schedule.*

*(d) Positions that may be established under the proviso of section 203 (b) (1) of the Act of August 2, 1946 (60 Stat. 836), may be in addition to those authorized by the foregoing provisions of this section.*

\* \* \* \* \*

## TITLE VI—BASIC COMPENSATION SCHEDULES

Sec. 601. There are hereby established the following basic compensation schedules for positions to which this Act applies.

[(1) A "General Schedule", the symbol for which shall be "GS", in lieu of the professional and scientific service, the clerical, administrative, and fiscal service, and the subprofessional service specified in section 13 of the Classification Act of 1923, as amended; and

[(2) A "Crafts, Protective, and Custodial Schedule", the symbol for which shall be "CPC", in lieu of the crafts, protective, and custodial service specified in such section.]

Sec. 601. There is hereby established for positions to which this Act applies a basic compensation schedule to be known as the "General Schedule", the symbol for which shall be "GS".

Sec. 602. [(a)] The General Schedule shall be divided into eighteen grades of difficulty and responsibility of work, as follows:

### GENERAL SCHEDULE

Grade GS-1 includes all classes of positions the duties of which are to perform, under immediate supervision, with little or no latitude for the exercise of independent judgment, (1) the simplest routine work in office, business, or fiscal operations, or (2) elementary work of a subordinate technical character in a professional, scientific, or technical field.

Grade GS-2 includes all classes of positions the duties of which are (1) to perform, under immediate supervision, with limited latitude for the exercise of independent judgment; routine work in office, business, or fiscal operations, or comparable subordinate technical work of limited scope in a professional, scientific, or technical field, requiring some training or experience; or (2) to perform other work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

Grade GS-3 includes all classes of positions the duties of which are (1) to perform, under immediate or general supervision, somewhat difficult and responsible work in office, business, or fiscal operations, or comparable subordinate technical work of limited scope in a professional, scientific, or technical field, requiring in either case (A) some training or experience, (B) working knowledge of a special subject matter, or (C) to some extent the exercise of independent judgment in accordance with well-established policies, procedures, and techniques; or (2) to perform other work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

Grade GS-4 includes all classes of positions the duties of which are (1) to perform, under immediate or general supervision, moderately difficult and responsible work in office, business, or fiscal operations, or comparable subordinate technical work in a professional, scientific, or technical field, requiring in either case (A) a moderate amount of training and minor supervisory or other experience, (B) good working knowledge of a special subject matter or a limited field of office, laboratory, engineering, scientific, or other procedure and practice, and (C) the exercise of independent judgment in accordance with well-established policies, procedures, and techniques; or (2) to perform other work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

Grade GS-5, includes all classes of positions the duties of which are (1) to perform, under general supervision, difficult and responsible work in office, business, or fiscal administration, or comparable subordinate technical work in a professional, scientific, or technical field, requiring in either case (A) considerable training and supervisory or other experience, (B) broad working knowledge of a special subject matter or of office, laboratory, engineering, scientific, or other procedure and practice, and (C) the exercise of independent judgment in a limited field; (2) to perform, under immediate supervision, and with little opportunity for the exercise of independent judgment, simple and elementary work requiring professional, scientific, or technical training equivalent to that represented by graduation from a college or university of recognized standing but requiring little or no experience; or (3) to perform other work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

Grade GS-6 includes all classes of positions the duties of which are (1) to perform, under general supervision, difficult and responsible work in office, business, or fiscal administration, or comparable subordinate technical work in a professional, scientific, or technical field, requiring in either case (A) considerable training and supervisory or other experience, (B) broad working knowledge of a

special and complex subject matter, procedure, or practice, or of the principles of the profession, art, or science involved, and (C) to a considerable extent the exercise of independent judgment; or (2) to perform other work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

Grade GS-7 includes all classes of positions the duties of which are (1) to perform, under general supervision, work of considerable difficulty and responsibility along special technical or supervisory lines in office, business, or fiscal administration, or comparable subordinate technical work in a professional, scientific, or technical field, requiring in either case (A) considerable specialized or supervisory training and experience, (B) comprehensive working knowledge of a special and complex subject matter, procedure, or practice, or of the principles of the profession, art, or science involved, and (C) to a considerable extent the exercise of independent judgment; (2) under immediate or general supervision, to perform somewhat difficult work requiring (A) professional, scientific, or technical training equivalent to that represented by graduation from a college or university of recognized standing, (B) previous experience, and (C) to a limited extent, the exercise of independent technical judgment; or (3) to perform other work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

Grade GS-8 includes all classes of positions the duties of which are (1) to perform, under general supervision, very difficult and responsible work along special technical or supervisory lines in office, business, or fiscal administration, requiring (A) considerable specialized or supervisory training and experience, (B) comprehensive and thorough working knowledge of a specialized and complex subject matter, procedure, or practice, or of the principles of the profession, art, or science involved, and (C) to a considerable extent the exercise of independent judgment; or (2) to perform other work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

Grade GS-9 includes all classes of positions the duties of which are (1) to perform, under general supervision, very difficult and responsible work along special technical, supervisory, or administrative lines in office, business, or fiscal administration, requiring (A) somewhat extended specialized training and considerable specialized, supervisory, or administrative experience which has demonstrated capacity for sound independent work, (B) thorough and fundamental knowledge of a special and complex subject matter, or of the profession, art, or science involved, and (C) considerable latitude for the exercise of independent judgment; (2) with considerable latitude for the exercise of independent judgment, to perform moderately difficult and responsible work, requiring (A) professional, scientific, or technical training equivalent to that represented by graduation from a college or university of recognized standing; and (B) considerable additional professional, scientific, or technical training or experience which has demonstrated capacity for sound independent work; or (3) to perform other work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

Grade GS-10 includes all classes of positions the duties of which are (1) to perform, under general supervision, highly difficult and responsible work along special technical, supervisory, or administrative lines in office, business, or fiscal administration, requiring (A) somewhat extended specialized, supervisory, or administrative training and experience which has demonstrated capacity for sound independent work, (B) thorough and fundamental knowledge of a specialized and complex subject matter, or of the profession, art, or science involved, and (C) considerable latitude for the exercise of independent judgment; or (2) to perform other work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

Grade GS-11 includes all classes of positions the duties of which are (1) to perform, under general administrative supervision and with wide latitude for the exercise of independent judgment, work of marked difficulty and responsibility along special technical, supervisory, or administrative lines in office, business, or fiscal administration, requiring (A) extended specialized, supervisory, or administrative training and experience which has demonstrated important attainments and marked capacity for sound independent action or decision, and (B) intimate grasp of a specialized and complex subject matter, or of the profession, art, or science involved, or of administrative work of marked difficulty; (2) with wide latitude for the exercise of independent judgment, to perform responsible work of considerable difficulty requiring somewhat extended professional, scientific, or technical training and experience which has demonstrated important attainments and marked capacity for independent work; or (3) to perform other work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

Grade GS-12 includes all classes of positions the duties of which are (1) to perform, under general administrative supervision, with wide latitude for the exercise of independent judgment, work of a very high order of difficulty and responsibility along special technical, supervisory, or administrative lines in office, business, or fiscal administration, requiring (A) extended specialized, supervisory, or administrative training and experience which has demonstrated leadership and attainments of a high order in specialized or administrative work, and (B) intimate grasp of a specialized and complex subject matter or of the profession, art, or science involved; (2) under general administrative supervision, and with wide latitude for the exercise of independent judgment, to perform professional, scientific, or technical work of marked difficulty and responsibility requiring extended professional, scientific, or technical training and experience which has demonstrated leadership and attainments of a high order in professional, scientific, or technical research, practice, or administration; or (3) to perform other work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

Grade GS-13 includes all classes of positions the duties of which are (1) to perform, under administrative direction, with wide latitude for the exercise of independent judgment, work of unusual difficulty and responsibility along special technical, supervisory, or administrative lines, requiring extended specialized, supervisory, or administrative training and experience which has demonstrated leadership and marked attainments; (2) to serve as assistant head of a major organization involving work of comparable level within a bureau; (3) to perform, under administrative direction, with wide latitude for the exercise of independent judgment, work of unusual difficulty and responsibility requiring extended professional, scientific, or technical training and experience which has demonstrated leadership and marked attainments in professional, scientific, or technical research, practice, or administration; or (4) to perform other work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

Grade GS-14 includes all classes of positions the duties of which are (1) to perform, under general administrative direction, with wide latitude for the exercise of independent judgment, work of exceptional difficulty and responsibility along special technical, supervisory, or administrative lines which has demonstrated leadership and unusual attainments; (2) to serve as head of a major organization within a bureau involving work of comparable level; (3) to plan and direct or to plan and execute major professional, scientific, technical, administrative, fiscal, or other specialized programs, requiring extended training and experience which has demonstrated leadership and unusual attainments in professional, scientific, or technical research, practice, or administration, or in administrative, fiscal, or other specialized activities; or (4) to perform consulting or other professional, scientific, technical, administrative, fiscal, or other specialized work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

Grade GS-15 includes all classes of positions the duties of which are (1) to perform, under general administrative direction, with very wide latitude for the exercise of independent judgment, work of outstanding difficulty and responsibility along special technical, supervisory, or administrative lines which has demonstrated leadership and exceptional attainments; (2) to serve as head of a major organization within a bureau involving work of comparable level; (3) to plan and direct or to plan and execute specialized programs of marked difficulty, responsibility, and national significance, along professional, scientific, technical, administrative, fiscal, or other lines, requiring extended training and experience which has demonstrated leadership and unusual attainments in professional, scientific, or technical research, practice, or administration, or in administrative, fiscal, or other specialized activities; or (4) to perform consulting or other professional, scientific, technical, administrative, fiscal, or other specialized work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

Grade GS-16 includes all classes of positions the duties of which are (1) to perform, under general administrative direction, with unusual latitude for the exercise of independent judgment, work of outstanding difficulty and responsibility along special technical, supervisory, or administrative lines which has demonstrated leadership and exceptional attainments; (2) to serve as the head of a major organization involving work of comparable level; (3) to plan and direct or to plan and execute professional, scientific, technical, administrative, fiscal, or other specialized programs of unusual difficulty, responsibility, and national significance, requiring extended training and experience which has demonstrated leadership and exceptional attainments in professional, scientific, or technical research, practice, or administration, or in administrative, fiscal, or other specialized activities; or (4) to perform consulting or other professional, scientific, tech-



nical, administrative, fiscal, or other specialized work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

Grade GS-17 includes all classes of positions the duties of which are (1) to serve as the head of a bureau where the position, considering the kind and extent of the authorities and responsibilities vested in it, and the scope, complexity, and degree of difficulty of the activities carried on, is of a high order among the whole group of positions of heads of bureaus; (2) to plan and direct or to plan and execute professional, scientific, technical, administrative, fiscal, or other specialized programs of exceptional difficulty, responsibility, and national significance, requiring extended training and experience which has demonstrated exceptional leadership and attainments in professional, scientific, or technical research, practice, or administration, or in administrative, fiscal, or other specialized activities; or (3) to perform consulting or other professional, scientific, technical, administrative, fiscal, or other specialized work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

Grade GS-18 includes all classes of positions the duties of which are (1) to serve as the head of a bureau where the position, considering the kind and extent of the authorities and responsibilities vested in it, and the scope, complexity, and degree of difficulty of the activities carried on, is exceptional and outstanding among the whole group of positions of heads of bureaus; (2) to plan and direct or to plan and execute frontier or unprecedented professional, scientific, technical, administrative, fiscal, or other specialized programs of outstanding difficulty, responsibility, and national significance, requiring extended training and experience which has demonstrated outstanding leadership and attainments in professional, scientific, or technical research, practice, or administration, or in administrative, fiscal, or other specialized activities; or (3) to perform consulting or other professional, scientific, technical, administrative, fiscal, or other specialized work of equal importance, difficulty, and responsibility, and requiring comparable qualifications.

[(b) The Crafts, Protective, and Custodial Schedule shall be divided into ten grades of difficulty and responsibility of work, as follows:

#### [CRAFTS, PROTECTIVE, AND CUSTODIAL SCHEDULE

[Grade CPC-1 includes all classes of positions the duties of which are to run errands, to check parcels, or to perform other light manual tasks with little or no responsibility.

[Grade CPC-2 includes all classes of positions the duties of which are to handle desks, mail sacks, and other heavy objects, and to perform similar work ordinarily required of unskilled laborers; to pass coal; to clean office rooms; to perform regular messenger work with little responsibility; or to perform other work of equal difficulty and responsibility and requiring comparable qualifications.

[Grade CPC-3 includes all classes of positions the duties of which are to perform, under immediate supervision, custodial, or office labor work with some degree of responsibility; to operate paper-cutting, canceling, envelope-opening, or envelope-sealing machines; to fire and keep up steam in low-pressure boilers used for heating purposes, and to clean boilers and oil machinery and related apparatus; to operate passenger automobiles or light-duty trucks; to pack goods for shipment; to work as leader of a group of charwomen; to perform messenger work and do light manual or office-labor tasks with some responsibility; to carry important documents from one office to another, or attend the door and private office of a public officer; or to perform other work of equal difficulty and responsibility and requiring comparable qualifications.

[Grade CPC-4 includes all classes of positions the duties of which are to perform, under general supervision, custodial work of a responsible character; to guard office or storage buildings; to supervise and direct a force of unskilled laborers; to fire and to keep up steam in high-pressure boilers and to operate other equipment used in connection with such boilers; to perform general, semimechanical, new, or repair work requiring some skill with hand tools; to work as craft or trade helper; to operate heavy-duty trucks, semitrailers, or tractor trailers; to operate a passenger automobile for a department head or officer of comparable rank; to attend the door of a private office of a department head or officer of comparable rank; or to perform other work of equal difficulty and responsibility and requiring comparable qualifications.

[Grade CPC-5 includes all classes of positions the duties of which are to guard property of great value while in transit; to supervise the operation and maintenance of a low-capacity heating plant and its auxiliary equipment; or to perform



other work of equal difficulty and responsibility and requiring comparable qualifications.

Grade CPC-6 includes all classes of positions the duties of which are to have immediate direction of a detachment of building guards; to perform the work of a skilled mechanic; to repair office appliances; or to perform other work of equal difficulty and responsibility and requiring comparable qualifications.

Grade CPC-7 includes all classes of positions the duties of which are to assist in the general supervision of a force of building guards; to work as leader of a group of skilled mechanics; or to perform other work of equal difficulty and responsibility and requiring comparable qualifications.

Grade CPC-8 includes all classes of positions the duties of which are to have general supervision over a force of building guards; to supervise the operation of a mechanical shop; to direct skilled mechanics and other employees engaged in the operation and maintenance of equipment providing heating, ventilating, air conditioning, power, and sanitation in one or more public buildings; or to perform other work of equal difficulty and responsibility and requiring comparable qualifications.

Grade CPC-9 includes all classes of positions the duties of which are to direct supervisory and office assistants, mechanics, guards, elevator operators, laborers, janitors, and other employees engaged in the custody, maintenance, and protection of a public building; or to assist in the direction of such employees when engaged in similar duties in a group of buildings; or to perform other work of equal difficulty and responsibility and requiring comparable qualifications.

Grade CPC-10 includes all classes of positions the duties of which are to direct supervisory and office assistants, mechanics, guards, elevator operators, laborers, janitors, and other employees engaged in the custody, maintenance, and protection of a group of public buildings; or to perform other work of equal difficulty and responsibility and requiring comparable qualifications.]

Sec. 603. (a) Except as provided in subsection (c) (2), the rates of basic compensation with respect to officers, employees, and positions to which this Act applies shall be in accordance with the schedules of per annum rates contained in subsections (b) and (c) (1). (a) The rates of basic compensation with respect to officers, employees, and positions to which this Act applies shall be in accordance with the compensation schedule contained in subsection (b).

(b) The compensation schedule for the General Schedule shall be as follows:

Grade	Per annum rates						
GS-1	\$2,500	\$2,580	\$2,660	\$2,740	\$2,820	\$2,900	\$2,980
GS-2	2,750	2,830	2,910	2,990	3,070	3,150	3,230
GS-3	2,950	3,030	3,110	3,190	3,270	3,350	3,430
GS-4	3,175	3,255	3,335	3,415	3,495	3,575	3,655
GS-5	3,410	3,535	3,660	3,785	3,910	4,035	4,160
GS-6	3,795	3,920	4,045	4,170	4,295	4,420	4,545
GS-7	4,205	4,330	4,455	4,580	4,705	4,830	4,955
GS-8	4,620	4,745	4,870	4,995	5,120	5,245	5,370
GS-9	5,080	5,185	5,310	5,435	5,560	5,685	5,810
GS-10	5,500	5,625	5,750	5,875	6,000	6,125	6,250
GS-11	5,940	6,140	6,340	6,540	6,740	6,940	7,140
GS-12	7,040	7,240	7,440	7,640	7,840	8,040	8,240
GS-13	8,360	8,560	8,760	8,960	9,160	9,360	9,560
GS-14	9,600	9,800	10,000	10,200	10,400	10,600	10,800
GS-15	10,800	11,050	11,300	11,550	11,800	12,050	12,300
GS-16	12,000	12,200	12,400	12,600	12,800	13,000	13,200
GS-17	13,000	13,200	13,400	13,600	13,800		
GS-18	14,800						

(c) (1) The compensation schedule for the Crafts, Protective, and Custodial Schedule shall be as follows:

Grade	Per annum rates						
CPC-1	\$1,810	\$1,870	\$1,930	\$1,990	\$2,050	\$2,110	\$2,170
CPC-2	2,420	2,490	2,560	2,630	2,700	2,770	2,840
CPC-3	2,552	2,632	2,712	2,792	2,872	2,952	3,032
CPC-4	2,750	2,830	2,910	2,990	3,070	3,150	3,230
CPC-5	2,974	3,054	3,134	3,214	3,294	3,374	3,454
CPC-6	3,200	3,280	3,360	3,440	3,520	3,600	3,680
CPC-7	3,435	3,535	3,635	3,735	3,835	3,935	4,035
CPC-8	3,740	3,865	3,990	4,115	4,240	4,365	4,490
CPC-9	4,150	4,275	4,400	4,525	4,650	4,775	4,900
CPC-10	4,565	4,690	4,815	4,940	5,065	5,190	5,315

(2) Charwomen working part time shall be paid at the rate of \$2,700 per annum, and head charwomen working part time at the rate of \$2,840 per annum.

(d) Whenever payment is made on the basis of a daily, hourly, weekly, biweekly, or monthly rate, such rate shall be computed from the appropriate annual rate specified in subsection (b) or (c) by the method prescribed in section 604 (d) of the Federal Employees Pay Act of 1945.]

(c) Whenever payment is made on the basis of a daily, hourly, weekly, biweekly, or monthly rate, such rate shall be computed from the appropriate annual rate specified in subsection (b) by the method prescribed in section 604 (d) of the Federal Employees Pay Act of 1945, as amended.

[SEC. 604. (a) For the purpose of making initial adjustments to the classification grades provided in this Act, positions which are required to be compensated in accordance with this Act and which were immediately prior to the effective date of this title in the professional and scientific service, the subprofessional service, the clerical, administrative, and fiscal service, or the crafts, protective, and custodial service of the Classification Act of 1923, as amended, are hereby allocated to corresponding grades of the General Schedule or the Crafts, Protective, and Custodial Schedule as set forth below:

Service and grade of the Classification Act of 1923, as amended				Corresponding new grade	
Professional and scientific service	Subprofessional service	Clerical, administrative, and fiscal service	Crafts, protective, and custodial service	General schedule	Crafts, protective, and custodial schedule
	1			GS-1	
	2	1		GS-1	
	3	2		GS-2	
	4	3		GS-3	
	5	4		GS-4	
1	6	5		GS-5	
	7	6		GS-6	
2	8	7		GS-7	
		8		GS-8	
3		9		GS-9	
		10		GS-10	
4		11		GS-11	
5		12		GS-12	
6		13		GS-13	
7		14		GS-14	
8		15		GS-15	
			1		CPC-1
			2		CPC-2
			3		CPC-3
			4		CPC-4
			5		CPC-5
			6		CPC-6
			7		CPC-7
			8		CPC-8
			9		CPC-9
			10		CPC-10

[(b) The rates of basic compensation of officers and employees to whom this Act applies shall be initially adjusted as follows:

[(1) In all cases where the number of pay rates within a grade specified in this Act is the same as in the corresponding grade of the Classification Act of 1923, as amended, employees shall have the same relative pay rate of the new grade, except as provided in paragraphs (2), (3), and (11) of this subsection.

[(2) Employees in grade 1 of the subprofessional service immediately prior to the effective date of this title, at the first, second, third, fourth, fifth, sixth, and seventh rate shall have the first, first, second, third, fourth, fifth, and sixth rate, respectively, of grade 1 of the General Schedule.

[(3) Employees in grade 2 of the subprofessional service immediately prior to the effective date of this title, at the first, second, third, fourth, fifth, sixth, and seventh rate shall have the second, third, fourth, fifth, sixth, seventh, and seventh rate, respectively, of grade 1 of the General Schedule.

[(4) Employees in grade 1 of the crafts, protective, and custodial service immediately prior to the effective date of this title, at the first, second, third, fourth, and fifth rate shall have the first, third, fourth, sixth, and seventh rate, respectively, of grade 1 of the Crafts, Protective, and Custodial Schedule.

[(5) Employees in grades 2 and 3 of the crafts, protective, and custodial service immediately prior to the effective date of this title, shall have the same relative pay rate of the first six rates of grades 2 and 3, respectively, of the Crafts, Protective, and Custodial Schedule.

[(6) Employees in grade 4 of the professional and scientific service and grade 11 of the clerical, administrative, and fiscal service immediately prior to the effective date of this title, at the first, second, third, fourth, and fifth rate shall have the first, second, third, fourth, and sixth rate, respectively, of grade 11 of the General Schedule.]

[(7) Employees in grade 5 of the professional and scientific service and grade 12 of the clerical, administrative, and fiscal service immediately prior to the effective date of this title, at the first, second, third, fourth, and fifth rate shall have the first, second, third, fourth, and fifth rate, respectively, of grade 12 of the General Schedule.]

[(8) Employees in grade 6 of the professional and scientific service and grade 13 of the clerical, administrative, and fiscal service immediately prior to the effective date of this title, at the first, second, third, fourth, and fifth rate shall have the first, second, third, fourth, and fifth rate, respectively, of grade 13 of the General Schedule.]

[(9) Employees in grade 7 of the professional and scientific service and grade 14 of the clerical, administrative, and fiscal service immediately prior to the effective date of this title, at the first, second, third, fourth, and fifth rate shall have the first, second, third, fifth, and sixth rate, respectively, of grade 14 of the General Schedule.]

[(10) Employees in grade 8 of the professional and scientific service and grade 15 of the clerical, administrative, and fiscal service immediately prior to the effective date of this title, at the first and second rate of the grade shall have the third rate of grade 15 of the General Schedule.]

[(11) Employees receiving a rate of basic compensation, authorized by law, immediately prior to the effective date of this title, in excess of the appropriate new rate of the grade as determined under paragraphs (1) to (10), inclusive, may continue to receive such rate so long as they remain in the same position and grade, but when any such position becomes vacant, the rate of basic compensation of any subsequent appointee shall be fixed in accordance with this Act.]

*Sec. 604. Employees receiving basic compensation at a rate authorized by law, immediately prior to the effective date of this title, in excess of the appropriate new rate of the grade as determined under paragraphs (1) to (10), inclusive, of section 604 (b) of this act, as in effect prior to the date of enactment of this amended section, may continue to receive such rate so long as they remain in the same position and grade, but when any such position becomes vacant, the rate of basic compensation of any subsequent appointee shall be fixed in accordance with this act.*

\* \* \* \* \*

[Sec. 702. (a) Within the limit of available appropriations and in accordance with standards promulgated by the Commission, each department is authorized, subject to prior approval by the Commission (except as provided in subsection (b)), to make additional step-increases as a reward for superior accomplishment, but no officer or employee shall be eligible for more than one such additional step-increase within each of the time periods specified in section 701.]

[(b) The Commission is authorized to delegate to any department the authority to make the additional step-increases provided for in this section, without prior approval in individual cases by the Commission. The Commission may withdraw or suspend such authority whenever review of such actions by the Commission indicates that standards promulgated by the Commission have not been observed, and may restore such authority whenever it is satisfied that subsequent actions will be taken in conformance with such standards.]

[(c) Each department shall report to the Commission all actions taken under this section, together with the reasons therefor. The Commission shall submit an annual report to Congress covering the numbers and types of actions taken under this section.]

Sec. 703. (a) Subject to subsection (b), and as a reward for long and faithful service, each department shall grant an additional step-increase (to be known as a longevity step-increase) beyond the maximum scheduled rate of the grade in which his position is placed, to each officer or employee for each three years of continuous service completed by him at such maximum rate or at a rate in excess thereof authorized by this section without [change of] increase in grade or rate of basic compensation except such [change] increase as may be prescribed by any provision of law of general application. Officers and employees who are otherwise eligible shall receive full credit under this subsection for service at the maximum authorized salary rate specified in the Bacharach Act of May 29, 1928, as amended and supplemented, and the Reed-Jenkins Act of May 29, 1928, as amended, to

## GOVERNMENT EMPLOYEES FRINGE BENEFITS ACT OF 1954 49

the same extent as if such service had been at the maximum rate of a grade of the Classification Act of 1923, as amended.

(b) (1) No officer or employee shall be entitled to a longevity step-increase while holding a position in any grade above grade [10] 15 of the General Schedule.

(2) No officer or employee shall receive a longevity step-increase unless his current efficiency rating is "satisfactory" or better.

(3) No officer or employee shall receive more than one longevity step-increase for any three years of continuous service.

(4) Each longevity step-increase shall be equal to one step-increase of the grade in which the position of the officer or employee is placed.

(5) Not more than three successive longevity step-increases may be granted to any officer or employee.

(6) The officer or employee shall have had, in the aggregate, not less than ten years of service in the position which he then occupies, or in positions of equivalent or higher class or grade.

(c) When an officer or employee, receiving basic compensation at a rate in excess of the maximum scheduled rate for his grade under section 604 [(b) (11)], section 1105 (b), or any other provision of law, is eligible for his first longevity step-increase beyond the maximum rate of such grade he shall—

(1) receive total basic compensation which is equal to the basic compensation at the maximum scheduled rate for his grade plus such first longevity step-increase, or

(2) continue to receive compensation at such rate in excess of the maximum scheduled rate for his grade, if the compensation at such rate is higher than the total basic compensation specified in paragraph (1).

In case any such officer or employee receiving compensation under paragraph (2) is eligible for a subsequent successive longevity step-increase, he shall—

(A) receive the same total basic compensation which he would be entitled to receive after such subsequent longevity step-increase, if his total basic compensation had, at the time he was eligible for his first longevity step-increase, been determined under paragraph (1), or

(B) continue to receive compensation under paragraph (2) if such compensation is higher than the total basic compensation specified in paragraph (A).

[Sec. 704. In computing length of service for the purposes of this title, service immediately preceding the effective date of this title shall be counted toward (1) one step-increase under section 701 and one additional step-increase under section 702, or (2) longevity step-increases under section 703, as the case may be.]

*Sec. 704. In the case of officers and employees in grades 11 to 15, inclusive, of the General Schedule who are receiving compensation at or above the maximum scheduled rates for their respective grades on the date immediately preceding the effective date of this amendatory section, not to exceed three years of service performed immediately preceding such effective date shall be counted toward longevity step-increases under section 703. Notwithstanding subsection (b) (4) of section 703, longevity step-increases for grade 15 of the General Schedule shall be \$200.*

\* \* \* \* \*

Sec. 802. (a) The rate of basic compensation to be received by any officer or employee to whom this Act applies shall be governed by regulations issued by the Commission in conformity with this Act when—

- (1) he is transferred from a position to which this Act does not apply;
- (2) he is transferred from any position to which this Act applies to another such position;
- (3) he is demoted to a position in a lower grade;
- (4) he is reinstated, reappointed, or reemployed;
- (5) his type of appointment is changed;
- (6) his employment status is otherwise changed; or
- (7) his position is changed from one grade to another grade.

(b) Any officer or employee who is promoted or transferred to a position in a higher grade shall receive basic compensation at the lowest rate of such higher grade which exceeds his existing rate of basic compensation by not less than one step-increase of the grade from which he is promoted or transferred. If, in the case of any officer or employee so promoted or transferred who is receiving (1) one or more longevity step-increases under section 703, or (2) basic compensation at a rate in excess of the maximum scheduled rate for his grade under section 604 [(b) (11)], section 1105 (b), or any other provision of law, there is no rate in such higher grade which is at least one step-increase above his existing rate of basic compensation, he shall receive (A) the maximum scheduled rate of such higher

grade, or (B) his existing rate of basic compensation, if such existing rate is the higher.

**[SEC. 803.** The Commission shall make a study of the problem of additional compensation for hazardous employments and submit a report to Congress not later than one year from the date of enactment of this Act, setting forth its findings and such recommendations as it may deem advisable for a future policy and plan with respect to additional compensation for hazardous employments.]

**Sec. 803.** (a) Whenever the Commission shall find (1) that a sufficient number of qualified eligibles for positions in a given class cannot be secured in one or more areas or locations at the existing minimum rate for such class, and (2) that there is a possibility that a sufficient number of such eligibles can be secured by increasing the minimum rate for such class in such areas or locations to one of the higher rates within the grade in which such class is placed, the Commission may establish such higher rate as the minimum rate for that class in each area or location concerned.

(b) Minimum rates established under subsection (a) may be revised from time to time by the Commission. Such actions or revisions shall have the force and effect of law.

(c) Any increase in rate of basic compensation resulting from the establishment of minimum rates under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701 (a).

\* \* \* \* \*

**[SEC. 1002.** (a) In each department there shall be established an Efficiency Awards Committee, the membership of which shall be designated by the head of the department.

(b) It shall be the duty of the Efficiency Awards Committee (1) to identify those supervisors and employees within the department whose superior accomplishments have contributed to outstanding efficiency and economy in administration, and (2) to award to such supervisors and employees, subject to the approval of the head of the department and to the limitations of subsection (c), cash awards or increases in rates of basic compensation which, in the judgment of the Committee, are commensurate with their demonstrated superior accomplishments: *Provided, however,* That the total amount of such awards or increases to any group of supervisors and employees shall not exceed 25 per centum of the estimated saving to the Government due to their superior accomplishments.

(c) Any such cash award or any such increase in rate of basic compensation shall not exceed an amount equal to three times the step-increase of the applicable grade. Any such increase in rate of basic compensation shall be at one, two, or three times the step-increase of the applicable grade and shall be in lieu of any additional compensation as a reward for superior accomplishment under section 702.

(d) An award under this title shall be given due weight in qualifying and selecting employees for promotion to positions in higher grades.

**[SEC. 1003.** The Bureau of the Budget shall maintain control of the program set forth in this title and shall annually report the results of such program to Congress, with such recommendations as it may deem advisable.]

\* \* \* \* \*

#### FEDERAL EMPLOYEES PAY ACT OF 1945

\* \* \* \* \*

**Sec. 101.** (a) Subject to the exemptions specified in section 102 of this Act, titles **[II and III]** II, III, and IV of this Act shall apply (1) to all civilian officers and employees in or under the executive branch of the Government, including Government-owned or controlled corporations, and in or under the District of Columbia municipal government, and (2) to those officers and employees of the judicial branch of the Government, the Library of Congress, the Botanic Garden, and the Office of the Architect of the Capitol who occupy positions subject to the Classification Act of 1923, as amended.

(b) Title IV of this Act shall apply to officers and employees who occupy positions subject to the Classification Act of 1923, as amended.]

(c) Subject to the exemptions specified in section 102 of this Act, title V of this Act shall apply to officers and employees in or under the legislative or the judicial branch of the Government whose compensation is not fixed in accordance with the Classification Act of 1923, as amended, and to the official reporters of proceedings and debates of the Senate and their employees.

(d) Subject to the exemptions specified in section 102 of this Act, title VI of this Act (containing miscellaneous provisions) shall apply to civilian officers and employees of the Government according to the terms thereof.

(e) All provisions of this Act applicable to the executive branch of the Government shall be applicable to the General Accounting Office.

\* \* \* \* \*  
[Sec. 201. Officers and employees to whom this title applies shall, in addition to their basic compensation, be compensated for all hours of employment, officially ordered or approved, in excess of forty hours in any administrative workweek, at overtime rates as follows:

[(a) For employees whose basic compensation is at a rate less than \$2,980 per annum, the overtime hourly rate shall be one and one-half times the basic hourly rate of compensation: *Provided*, That in computing such overtime compensation for per annum employees, the basic hourly rate of compensation shall be determined by dividing the per annum rate by two thousand and eighty.

[(b) For employees whose basic compensation is at a rate of \$2,980 per annum or more, the overtime hourly rate shall be in accordance with and in proportion to the following schedule:

Basic rate of compensation per annum	Overtime rate of compensation per 416 overtime hours
\$2,980	\$894. 000
3,090	885. 554
3,200	877. 108
3,310	868. 662
3,420	860. 216
3,530	851. 770
3,640	843. 324
3,750	834. 878
3,860	826. 432
3,970	817. 986
4,080	809. 540
4,190	801. 094
4,300	792. 648
4,410	784. 202
4,520	775. 756
4,630	767. 310
4,740	758. 864
4,960	741. 972
5,180	725. 080
5,390	708. 955
5,600	692. 831
5,810	676. 707
6,020	660. 583
6,230	644. 458
6,440 and over	628. 334]

SEC. 201. All hours of work officially ordered or approved in excess of forty hours in any administrative workweek performed by officers and employees to whom this title applies shall be considered to be overtime work and compensation for such overtime work, except as otherwise provided for in this Act, shall be at the following rates:

(1) For each officer and employee whose basic compensation is at a rate which does not exceed the maximum scheduled rate of basic compensation provided for grade GS-9 in the Classification Act of 1949, as amended, the overtime hourly rate of compensation shall be an amount equal to one and one-half times the hourly rate of basic compensation of such officer or employee, and all of such amount shall be considered premium compensation.

(2) For each officer and employee whose basic compensation is at a rate which exceeds the maximum scheduled rate of basic compensation provided for grade GS-9 in the Classification Act of 1949, as amended, the overtime hourly rate of compensation shall be an amount equal to one and one-half times the hourly rate of such maximum scheduled rate of basic compensation, or an amount equal to the basic hourly rate of compensation of such officer or employee, whichever is greater, and all of such amount shall be considered premium compensation.

[Sec. 202. (a) The heads of departments, or of independent establishments or agencies, including Government-owned or controlled corporations, and of the District of Columbia municipal government, and the heads of legislative or judicial agencies to which this title applies, may by regulation provide for the granting of

compensatory time off from duty, in lieu of overtime compensation for irregular or occasional duty in excess of forty hours in any regularly scheduled administrative workweek, to those per annum employees requesting such compensatory time off from duty.]

SEC. 202. (a) The head of any department, independent establishment, or agency, including Government-owned or controlled corporations, or the municipal government of the District of Columbia or the head of any legislative or judicial agency to which this title applies, (1) may, at the request of any officer or employee, grant such officer or employee compensatory time off from his scheduled tour of duty in lieu of payment for an equal amount of time spent in irregular or occasional overtime work, and (2) may, at his own discretion, provide that any officer or employee, whose rate of basic compensation is in excess of the maximum scheduled rate of basic compensation provided for grade GS-9 in the Classification Act of 1949, as amended, shall be compensated for irregular or occasional overtime work for which compensation would be due under this Act with an equal amount of compensatory time off from his scheduled tour of duty in lieu of such compensation.

\* \* \* \* \*

#### CALL-BACK OVERTIME

SEC. 203. For the purposes of this Act, any unscheduled overtime work performed by any officer or employee on a day when no work was scheduled for him, or for which he is required to return to his place of employment, shall be considered to be at least two hours in duration.

#### TIME IN TRAVEL STATUS

SEC. 204. For the purpose of this Act, time spent in a travel status away from the official-duty station of any officer or employee shall be considered as hours of employment only when (a) within the days and hours of such officer's or employee's regularly scheduled administrative workweek, including regularly scheduled overtime hours, or (b) when the travel involves the performance of work while traveling or is carried out under arduous conditions.

SEC. [203] 205. Employees whose basic rate of compensation is fixed on an annual or monthly basis and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose shall be entitled to overtime pay in accordance with the provisions of section 23 of the Act of March 28, 1934 (U. S. C., 1940 edition, title 5, sec. 673c). The rate of compensation for each hour of overtime employment of any such employee shall be computed as follows:

(a) If the basic rate of compensation of the employee is fixed on an annual basis, divide such basic rate of compensation by two thousand and eighty and multiply the quotient by one and one-half; and

(b) If the basic rate of compensation of the employee is fixed on a monthly basis, multiply such basic rate of compensation by twelve to derive a basic annual rate of compensation, divide such basic annual rate of compensation by two thousand and eighty, and multiply the quotient by one and one-half.

\* \* \* \* \*

[SEC. 301. (a) Any officer or employee to whom this title applies who is assigned to a regularly scheduled tour of duty, any part of which, including overtime, falls between the hours of 6 o'clock postmeridian and 6 o'clock antemeridian, shall, for duty between such hours, excluding periods when he is in a leave status, be paid compensation at a rate 10 per centum in excess of his rate of basic compensation for duty between other hours: *Provided*, That such differential for night duty shall not be included in computing any overtime compensation to which the officer or employee may be entitled: *And provided further*, That this section shall not operate to modify the provisions of the Act of July 1, 1944 (Public Law Numbered 394, Seventy-eighth Congress), or any other law authorizing additional compensation for night work.]

SEC. 301. (a) Any regularly scheduled work between the hours of six o'clock postmeridian and six o'clock antemeridian (including periods of absence with pay during such hours due to holidays, and any such hours within periods of leave with pay if such periods total less than eight hours during any pay period) shall be considered night work, except as provided in subsection (b), and any officer or employee performing such work to whom this title applies shall be compensated for such work at his rate of basic compensation plus premium compensation amounting to 10 per centum of such rate, unless otherwise provided in title IV of this Act. This section shall not operate to modify the provisions of the Act of July 1, 1944 (Public Law Numbered 394, Seventy-eighth Congress), or any other law authorizing additional compensation for night work.



(b) The head of any department, independent establishment, or agency, including Government-owned or controlled corporations, may designate any time after six o'clock postmeridian and any time before six o'clock antemeridian as the beginning and end, respectively, of night work for the purpose of subsection (a) at any post outside the several States and the District of Columbia where customary hours of business extend into the hours of night work provided by such subsection.

SEC. 302. Any officer or employee to whom this title applies who is assigned to duty on a holiday designated by Federal statute or Executive order during hours which fall within his basic administrative workweek of forty hours shall be compensated for not to exceed eight hours of such duty, excluding periods when he is in a leave status, in lieu of his regular rate of basic compensation for such duty, at the rate of twice such regular rate of basic compensation, in addition to any extra compensation for night duty provided by section 301 of this Act: *Provided*, That extra holiday compensation paid under this section shall not serve to reduce the amount of overtime compensation to which the employee may be entitled under this or any other Act during the administrative workweek in which the holiday occurs, but such extra holiday compensation shall not be considered to be a part of the basic compensation for the purpose of computing such overtime compensation. This section shall take effect upon the cessation of hostilities in the present war as proclaimed by the President, or at such earlier time as the Congress by concurrent resolution may prescribe. Prior to so becoming effective, it shall be effective with respect to any designated holiday only if the President has declared that such day shall not be generally a workday in the Federal service.

SEC. 302. (a) All work not exceeding eight hours, which is not overtime work as defined in section 201 of this Act and which is performed on a holiday designated by Federal statute or Executive order, shall be compensated at the rate of basic compensation of the officer or employee performing such work on a holiday plus premium compensation at a rate equal to the rate of basic compensation of such officer or employee.

(b) Any officer or employee who is required to perform any work on such a holiday shall be compensated for at least two hours of such work, and any such premium compensation due under the provisions of this section shall be in addition to any premium compensation which may be due for the same work under the provisions of section 301 of this Act providing premium compensation for nightwork.

(c) Overtime work, as defined in section 201 of this Act, on Sundays and such holidays shall be compensated in accordance with the provisions of such section 201.

\* \* \* \* \*

#### TITLE IV—SPECIAL PROVISIONS FOR CERTAIN TYPES OF WORK

SEC. 401. (a) The head of any department, independent establishment, or agency, including Government-owned or controlled corporations, or of the municipal Government of the District of Columbia may, with the approval of the Civil Service Commission, provide that—

(1) any officer or employee in a position requiring him regularly to remain at, or within the confines of, his station during longer than ordinary periods of duty, a substantial part of which consists of remaining in a standby status rather than performing work, shall receive premium compensation for such duty on an annual basis in lieu of premium compensation provided by any other provisions of this Act. Premium compensation under this paragraph shall be determined as an appropriate percentage (not in excess of 25 per centum) of such part of the rate of basic compensation for any such position as does not exceed the maximum scheduled rate of basic compensation provided for grade GS-9 in the Classification Act of 1949, as amended, by taking into consideration the number of hours of actual work required in such position, the number of hours required in a standby status at or within the confines of the station, the extent to which the duties of such position are made more onerous by night or holiday work, or by being extended over periods of more than forty hours a week, and any other relative factors; or

(2) any officer or employee in a position in which the hours of duty cannot be controlled administratively, and which requires substantial amounts of irregular, unscheduled, overtime duty and duty at night and on holidays with the officer or employee generally being responsible for recognizing, without supervision, circumstances which require him to remain on duty, shall receive premium compensation for such duty on an annual basis in lieu of premium compensation provided by any other provisions of this Act, except for regularly scheduled overtime duty. Premium compensation under this paragraph shall be determined as an appropriate percentage (not in excess of 15 per centum) of such part of the rate of basic compensation for any such position as does not exceed the maximum scheduled

rate of basic compensation provided for grade GS-9 in the Classification Act of 1949, as amended, by taking into consideration the frequency and duration of night, holiday, and unscheduled overtime duty required in such position.

\* \* \* \* \*

(b) This section shall not apply to officers and employees in positions the duties of which are to supervise or perform work involved in (1) fighting fires, (2) maintaining fire-fighting apparatus and equipment, (3) inspecting fire protection apparatus and equipment, and (4) inspecting fire hazards in public buildings and reservations with a view to elimination of such fire hazards. Any such officer or employee shall receive premium compensation for such duty on the basis to which such officer or employee is entitled under any other provisions of this Act.

#### LIMITATIONS ON REDUCTIONS AND INCREASES IN COMPENSATION

[Sec. 603. (a) The aggregate per annum rate of compensation with respect to any pay period, in the case of any full-time employee in the service on July 1, 1945, (1) who was a full-time employee on June 30, 1945, (2) whose per annum basic rate of compensation on June 30, 1945, did not exceed a rate of \$1,800 per annum, and (3) whose compensation is fixed in accordance with the provisions of the Classification Act of 1923, as amended, or the Act entitled "An Act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended, shall not, under the rates of compensation established by this Act, so long as he continues to occupy the position he occupied on June 30, 1945, be less than his per annum basic rate of compensation on such date, plus the rate of \$300 per annum or 25 per centum of such per annum basic rate of compensation, whichever is the smaller amount.

(b) Notwithstanding any other provision of this Act, no officer or employee shall, by reason of the enactment of this Act, or any amendment thereto, be paid, with respect to any pay period, basic compensation, or basic compensation plus any additional compensation provided by this Act, at a rate in excess of \$10,330 per annum, except that (1) any officer or employee who was receiving overtime compensation on June 30, 1945, and whose aggregate rate of compensation on such date was in excess of \$10,000 per annum may receive overtime compensation at such rate as will not cause his aggregate rate of compensation for any pay period to exceed the aggregate rate of compensation he was receiving on June 30, 1945, until he ceases to occupy the office or position he occupied on such date or until the overtime hours of work in his administrative workweek are reduced by action of the head of his department or independent establishment or agency, or Government owned or controlled corporation, and when such overtime hours are reduced such rate of overtime compensation shall be reduced proportionately, and (2) any officer or employee who, because of the receipt of additional compensation in lieu of overtime compensation, was receiving aggregate compensation at a rate in excess of \$10,000 per annum on June 30, 1945, may continue to receive such rate of aggregate compensation so long as he continues to occupy the office or position he occupied on such date but in no case beyond June 30, 1947.]

#### LIMITATION ON PREMIUM COMPENSATION

Sec. 603. (a) No premium compensation provided by this Act shall be paid to any officer or employee whose rate of basic compensation equals or exceeds the maximum scheduled rate of basic compensation provided for grade GS-15 in the Classification Act of 1949, as amended.

(b) In the case of any officer or employee whose rate of basic compensation is less than the maximum scheduled rate of basic compensation provided for grade GS-15 in the Classification Act of 1949, as amended, such premium compensation may be paid only to the extent that such payment would not cause his aggregate rate of compensation to exceed such maximum scheduled rate with respect to any pay period.

#### ESTABLISHMENT OF BASIC WORKWEEK; WORK SCHEDULES; PAY COMPUTATION METHODS

Sec. 604. (a) (1) It shall be the duty of the heads of the several departments and independent establishments and agencies in the executive branch, including Government-owned or controlled corporations, and the District of Columbia municipal government, to establish as of the effective date of this Act, for all full-time officers and employees in their respective organizations, in the departmental and the field services, a basic administrative workweek of forty hours, and to

require that the hours of work in such workweek be performed within a period of not more than six of any seven consecutive days.

(2) Except where the head of each such department, establishment, or agency and of the municipal government of the District of Columbia determines that his organization would be seriously handicapped in carrying out its functions or that costs would be substantially increased, he shall provide, with respect to all officers and employees in his organization, (A) that assignments to tours of duty shall be scheduled in advance over periods of not less than one week, (B) that the basic forty-hour workweek shall be scheduled on five days, which shall be Monday through Friday wherever possible, and the two days outside the basic workweek shall be consecutive, (C) that the working hours in each day in the basic workweek shall be the same, (D) that the basic nonovertime workday shall not exceed eight hours, (E) that the occurrence of holidays shall not affect the designation of the basic workweek, and (F) that breaks in working hours of more than one hour shall not be scheduled in any basic workday.

\* \* \* \* \*

AN AOT To authorize certain administrative expenses in the Government service, and for other purposes  
(60 Stat. 809; 5 U. S. C. 116a)

\* \* \* \* \*

[SEC. 14. The head of each department is authorized, under such rules and regulations as the President may prescribe, to pay cash awards to civilian officers and employees (or to their estates) who make meritorious suggestions which will result in improvement or economy in the operations of his department and which have been adopted for use and to incur necessary expenses for the honorary recognition of exceptional or meritorious service: *Provided*, That no award shall be paid to any officer or employee for any suggestion which represents a part of the normal requirements of the duties of his position. With the exception of the War and Navy Departments, the amount of any one award shall not exceed \$1,000 and the total of cash awards paid during any fiscal year in any department shall not exceed \$25,000. Payments may be made for the appropriation for the activity primarily benefiting or may be distributed among appropriations for activities benefiting as the head of the department determines. A cash award shall be in addition to the regular compensation of the recipient and the acceptance of such cash award shall constitute an agreement that the use by the United States of the suggestion for which the award is made shall not form the basis of a further claim of any nature upon the United States by him, his heirs or assigns.

[All other Acts or parts of Acts in conflict with the provisions of this section are hereby repealed.]

\* \* \* \* \*

AN AOT Authorizing payments of rewards to postal employees for inventions (59 Stat. 591)

[Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Postmaster General is authorized, under such rules and regulations as he may prescribe, to pay a cash reward for any invention, suggestion, or series of suggestions submitted by one or more employees of the Post Office Department or the Postal Service, which will clearly effect a material economy or increase efficiency in the administration or operation of the Post Office Department or the Postal Service, and which has been adopted for use.

[The total amount of rewards made under this Act in any one fiscal year shall not exceed \$25,000 and the amount so paid for any one invention, suggestion, or series of suggestions shall not exceed \$1,000.

[Rewards made under this Act shall be paid out of the appropriation for the postal activity primarily benefiting, or may be distributed among appropriations for postal activities benefiting, as the Postmaster General may determine. Payments shall be in addition to the regular compensation of the employee receiving the reward. No employee shall be paid a reward under this Act until he has properly executed an agreement to the effect that the use by the United States of the invention, suggestion, or series of suggestions made by him shall not form the basis of a further claim of any nature upon the United States by him, his heirs, or assigns.]

AN ACT Authorizing the Secretary of War to pay a cash award for suggestions submitted by employees of certain establishments of the Ordnance Department for improvement or economy in manufacturing processes or plant (37 Stat. 193; 50 U. S. C. 58)

*[Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of War is hereby authorized to offer periodically at such of the establishments of the Ordnance Department as he may select a cash reward for the suggestion, or series of suggestions, for an improvement or economy in manufacturing processes or plant, submitted within the period by one or more employees of the establishment which shall be deemed the most valuable of those submitted and adopted for use: Provided, That to obtain this reward the winning suggestion must be one that will clearly effect a material economy in production or increase efficiency or enhance the quality of the product in comparison with its cost and in the opinion of the Secretary shall be so worthy as to entitle the employee making the same to receive the reward: Provided further, That the sums awarded to employees in accordance with this Act shall be paid them in addition to their usual compensation and shall constitute part of the general or shop expense of the establishment: Provided further, That the total amount paid under the provisions of this Act shall not exceed one thousand dollars for any one month: And provided further, That no employee shall be paid a reward under this Act until he has properly executed an agreement to the effect that the use by the United States of the suggestion, or series of suggestions, made by him shall not form the basis of a further claim of any nature upon the United States by him, his heirs, or assigns, and that application for patent has not been made for the invention.]*

AN ACT To provide equitable compensation for useful suggestions or inventions by personnel of the Department of the Interior (58 Stat. 360; 5 U. S. C. 500)

*[Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to pay cash rewards, subject to such regulations as he shall prescribe, to officers and employees of the Department of the Interior, who, in the course of their employment, and subsequent to November 17, 1942, make suggestions or inventions which are of such a nature that their adoption would result in improved technological or scientific processes or methods, or in improvements in the administration or operations of the Department of the Interior. The amount expended for the payment of such rewards during any one fiscal year shall not exceed \$20,000 in the aggregate and shall not exceed \$1,000 to any one person, unless a greater amount is specifically appropriated for a named person in an exceptionally meritorious case. For the purposes of this Act, the Secretary of the Interior is authorized and directed to set up in the Department a Board of Awards, the proceedings of which shall be available to the public. Nothing in this Act shall be taken or construed as amending or modifying the present patent and trade-mark laws as they now exist or may hereafter be amended.]*

AN ACT To enact certain provisions now included in the Naval Appropriation Act, 1946, and for other purposes (60 Stat. 857; 5 U. S. C. 416)

\* \* \* \* \*  
SEC. 35. *[(a) The Secretary of the Navy is authorized, in his discretion and under such rules and regulations as he may prescribe, to pay cash rewards to civilian personnel of the Naval Establishment or other persons in civil life when, due to a suggestion or series of suggestions by them, there results an improvement or economy in manufacturing process or plant or naval material, or in efficiency or economy in the operation or administration of the Navy Department or the Naval Establishment. Such sums as may be awarded to employees in accordance with this section shall be paid them out of naval appropriations in addition to their usual compensation. No employee or other person in civil life shall be paid a reward under this section until he has properly executed an agreement to the effect that the use by the United States of the suggestion or series of suggestions made by him shall not form the basis of a further claim of any nature against the United States by him, his heirs, or assigns.]*

*[(b) Except as provided in subsection (a) hereof, civilian personnel of the Naval Establishment shall not be paid any premium or bonus or cash reward in addition to their regular salaries.]*  
\* \* \* \* \*

## GOVERNMENT EMPLOYEES FRINGE BENEFITS ACT OF 1954 57

JOINT RESOLUTION To provide cash awards to personnel of the Maritime Commission and the War Shipping Administration for useful suggestions to improve administration of their activities (58 Stat. 115; 46 U. S. C. 1111b)

*[Resolved by the Senate and House of Representatives of the United States of America in Congress Assembled, That the United States Maritime Commission is authorized to pay cash awards for suggestions submitted to it by any of its officers or employees in cases where the suggestion, in the opinion of the Commission or of a committee designated by it, would, if adopted, make for substantially increased efficiency, economy, or general improvement in carrying out the duties, powers, or functions of the Commission. Such suggestions shall be submitted and such awards shall be made under such rules and regulations as the Commission may prescribe, including provision for transfer to the United States of all rights or interests of the officer or employee in the suggestion. The provisions of this section shall apply in like manner to the War Shipping Administration and its officers and employees, and for the purpose of this section the terms "United States Maritime Commission" and "Commission" shall be deemed to refer to the War Shipping Administration. The total amount of cash awards made under this joint resolution in any fiscal year shall not exceed \$5,000 for each such agency, and the amount paid for any one suggestion shall not exceed \$250 for any one suggestion, except in case of a patentable idea, it may be not more than \$1,000.]*

## SECTION 1310 OF THE SUPPLEMENTAL APPROPRIATION ACT, 1952 (PUBLIC LAW 253, 82d CONG.)

**[SEC. 1310.** Immediately upon the enactment of this Act and until termination of the national emergency proclaimed by the President on December 16, 1950:

**[(a)** The Civil Service Commission and the heads of the executive departments, agencies, and corporations shall make full use of their authority to require that initial appointments to positions in and outside the competitive civil service shall be made on a temporary or indefinite basis in order to prevent increases in the number of permanent personnel of the Federal Government above the total number of permanent employees existing on September 1, 1950: *Provided, That* any position vacated by a permanent employee called to military service or transferred to a national defense agency shall not be filled except on a temporary or indefinite basis. All reinstatements and promotions in the Federal civil service shall be made on a temporary or indefinite basis, and all permanent employees who are transferred from one agency to another shall retain their status as permanent employees in the agency to which transferred at the grade or basic-pay level of their permanent positions in the agency from which transferred. All appointments, reinstatements, transfers, and promotions to positions subject to the Classification Act of 1949 shall be made with the condition and notice to each individual appointed, reinstated, transferred, or promoted that the classification grade of the position is subject to postaudit and correction by the appropriate departmental or agency personnel office or the Civil Service Commission. All transfers of permanent employees made on a temporary or indefinite basis since September 1, 1950, shall be changed to a permanent basis as of the effective date of this Act: *Provided, That* such employees shall retain their status as permanent employees in the agency to which transferred at the grade or basic pay level of their permanent positions in the agency from which transferred.

**[(b)** The Civil Service Commission shall facilitate the transfer of Federal employees from nondefense to defense activities and encourage the retention of employees in defense activities, and shall provide reemployment rights for permanent employees in the activities from which such employees are transferred.

**[(c)** The Civil Service Commission shall make full use of its authority to prevent excessively rapid promotions in the competitive civil service and to provide correction of improper allocations to higher grades of positions subject to the Classification Act of 1949, as amended. No person in any executive department or agency whose position is subject to the Classification Act of 1949, as amended, shall be promoted or transferred to a higher grade subject to such Act without having served at least one year in the next lower grade: *Provided, That* the Civil Service Commission for positions in the competitive service and the head of the employing agency for positions outside the competitive service may by regulation provide for promotions of two grades in one year (1) to positions not higher than GS-5; (2) to positions not higher than GS-11 which are in a line of work properly classified under the Classification Act of 1949 at two-grade intervals; (3) to positions in the same line of work when the employee has completed a

training period under a training program approved by the Civil Service Commission for positions in the competitive service, or approved by the head of the employing agency for positions outside the competitive service; and (4) of an employee of the agency concerned when there is no position in the normal line of promotion in the grade immediately below that of the position to be filled: *Provided further*, That this subsection shall not apply to any case involving an employee who is within reach for appointment to a higher grade position on a competitive civil service register, or being advanced up to a grade level from which he had been demoted or separated because of reduction in force.

[(d) From time to time, but at least annually, each executive department and agency shall (1) review all positions which since September 1, 1950, have been created or placed in a higher grade or level of difficulty and responsibility of work or in a higher basic pay level, (2) abolish all such positions which are found to be unnecessary, (3) with respect to such positions which are found to be necessary, make such adjustments as may be appropriate in the classification grades of those positions which are subject to the Classification Act of 1949, as amended, or in the basic pay levels of those positions which are subject to other pay-fixing authority. Not later than July 31 of each year each department and agency shall submit a report to the Post Office and Civil Service Committees and Appropriations Committees of the Senate and House of Representatives concerning the action taken under this paragraph, together with information comparing the total number of employees on the payroll on June 30 and their average grade and salary with similar information for the previous June 30, and each annual supplemental budget estimate shall include a statement comparing the average grade and salary provided for in each item of appropriation or fund allowance therein with similar figures reported for the two previous periods.]

#### SECTION 2 OF THE ACT OF AUGUST 3, 1950

SEC. 2. For the purposes of this Act the term "unpaid compensation" means the pay, salary, or allowances, or other compensation due on account of the services of the decedent for the Federal Government or the government of the District of Columbia. It shall include, but not be limited to, (1) \* \* \* [(6) payment for all accumulated and current accrued annual or vacation leave equal to the compensation the decedent would have received had he remained in service until the expiration of the period of such annual or vacation leave, except that after August 31, 1953, no such lump-sum payment shall exceed compensation for any period of such leave in excess of thirty days or the number of days carried over to his credit at the beginning of the leave year in which entitlement to payment occurs, whichever is the greater;] (6) *payment for all accumulated and current accrued annual or vacation leave equal to the compensation the decedent would have received had he remained in the service until the expiration of the period of such annual or vacation leave; except that such lump-sum payment shall not include compensation for any period of accumulated leave in excess of thirty days, plus current accrued leave, or in excess of the number of days of accumulated leave to which he is entitled on the date of separation (excluding accumulated leave earned in the 1954 leave year and thereafter), plus current accrued leave, whichever is the greater;* \* \* \*

#### SECTION 6 OF THE ACT OF JULY 2, 1953

[SEC. 6. The heads of the departments and agencies are authorized and directed to take such action as may be necessary to bring about reductions in the accumulated annual leave to the credit of officers and employees which is in excess of the amounts allowable under the applicable provisions of section 203 of the Annual and Sick Leave Act of 1951, as amended by this Act, within a reasonable period of years, consistent with the exigencies of the public business, and to make such reports with respect to the action taken as may be requested by the Civil Service Commission. The Civil Service Commission shall include in its annual report to the Congress a statement of the progress made in carrying out the purposes of this section.]

GOVERNMENT EMPLOYEE RINGE BENEFITS ACT OF 1954 59

SECTION 2 (B) OF THE PERFORMANCE RATING ACT OF 1950

SEC. 2. (b) This Act shall not apply to—

(1) \* \* \*

(12) *The Central Intelligence Agency.*

SECTION 9 OF THE CENTRAL INTELLIGENCE AGENCY ACT OF 1949

○  
[SEC. 9. The Director is authorized to establish and fix the compensation for not more than three positions in the professional and scientific field, within the Agency, each such position being established to effectuate those scientific intelligence functions relating to national security, which require the services of specially qualified scientific or professional personnel: *Provided*, That the rates of compensation for positions established pursuant to the provisions of this section shall not be less than \$13,100 per annum nor more than \$15,000 per annum, and shall be subject to the approval of the Civil Service Commission.]



THE WHITE HOUSE  
WASHINGTON

AUGUST 17, 1954

*Group  
Life  
Insurance  
for  
Federal  
Civilian  
Employees*

**TO FEDERAL CIVILIAN  
EMPLOYEES:**

As a result of favorable action by Congress, we are now able to provide the benefits of low-cost group life

insurance to Federal employees. The proposal to provide this protection to employees through private insurance companies, with Government assuming a portion of the cost, was developed as a part of the program of this Administration to improve the Government's personnel system.

I urge all eligible employees to give serious consideration to this worthwhile program which will help provide economic security for their families.

*Deputy Assistant Secretary*

U. S. CIVIL SERVICE COMMISSION • WASHINGTON 25, D. C.

( Approved For Release 2002/07/12 : CIA-RDP79-00065A000200020010-6

## FOR HOW MUCH WILL I BE INSURED?

The amount of insurance depends upon your annual basic salary.  
(See page 4.)

You may not choose a lesser or greater amount of insurance.

If you are 65 years of age or older, or when you become age 65, the amount of your insurance will be reduced by 2 percent for each month you are over 65 until a reduction of 75 percent is reached. The remaining 25 percent stays in effect.

## MUST I NAME A BENEFICIARY?

No. Your life insurance will be payable in the following order:  
(1) widow or widower, (2) children, (3) parents, (4) estate, (5) next of kin. Your personnel office will have the proper form for you to use if you wish to change this order or name someone else.

## WHAT IF I RETIRE?

Your life insurance is provided without further cost, if you retire on an immediate annuity either for disability or after at least 15 years of creditable civilian service. Your double indemnity and dismemberment protection stops.

## WHAT IF I LEAVE GOVERNMENT SERVICE?

Your life insurance continues in effect 31 days during which you may buy, without a medical examination, an individual life insurance policy at standard rates.

## MAY I CANCEL MY INSURANCE UNDER THIS PLAN?

Yes, at any time.

# INSURANCE SCHEDULE

If Annual Basic Salary	Amount of Insurance	Amount of Deductions Per Pay Period			
		Weekly	Biweekly	Semi-monthly	Monthly
<i>Is not more than</i> \$1,000	\$1,000	\$0.13	\$0.25	\$0.27	\$0.54
" 2,000	2,000	.25	.50	.54	1.08
" 3,000	3,000	.38	.75	.81	1.63
" 4,000	4,000	.50	1.00	1.08	2.17
" 5,000	5,000	.63	1.25	1.35	2.71
" 6,000	6,000	.75	1.50	1.63	3.25
" 7,000	7,000	.88	1.75	1.90	3.79
" 8,000	8,000	1.00	2.00	2.17	4.33
" 9,000	9,000	1.13	2.25	2.44	4.88
" 10,000	10,000	1.25	2.50	2.71	5.42
" 11,000	11,000	1.38	2.75	2.98	5.96
" 12,000	12,000	1.50	3.00	3.25	6.50
" 13,000	13,000	1.63	3.25	3.52	7.04
" 14,000	14,000	1.75	3.50	3.79	7.58
" 15,000	15,000	1.88	3.75	4.06	8.13
" 16,000	16,000	2.00	4.00	4.33	8.67
" 17,000	17,000	2.13	4.25	4.60	9.21
" 18,000	18,000	2.25	4.50	4.88	9.75
" 19,000	19,000	2.38	4.75	5.15	10.29
<i>Is above</i> 19,000	20,000	2.50	5.00	5.42	10.83

## A FINAL WORD ABOUT THIS INSURANCE PLAN:

This plan will provide an added measure of family security at low cost. It is, however, term insurance and does *not* carry cash surrender or loan privileges. You should not look upon this plan as a substitute for regular individual insurance policies purchased through your own insurance agent.

This leaflet outlines the principal features of the plan for your general information only. Each insured employee will receive a certificate outlining in more detail the benefits and terms of this group insurance.

SEP 23 10 46 AM '54  
COMPTROLLER  
U.S. GOVERNMENT PRINTING OFFICE: 1954

83D CONGRESS  
2d Session

HOUSE OF REPRESENTATIVES

REPORT  
No. 2665

FRINGE EMPLOYMENT BENEFITS FOR EMPLOYEES OF  
THE FEDERAL GOVERNMENT

AUGUST 16, 1954.—Ordered to be printed

Mr. REES of Kansas, from the committee of conference, submitted  
the following

CONFERENCE REPORT

[To accompany H. R. 2263]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2263) to authorize the Postmaster General to readjust the compensation of holders of contracts for the performance of mail-messenger service, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

*TITLE I—AMENDMENTS TO CLASSIFICATION ACT OF  
1949*

*NUMBER OF POSITIONS IN GRADES 16, 17, AND 18 OF THE GENERAL  
SCHEDULE*

*SEC. 101. (a) Section 505 of the Classification Act of 1949, as amended, is amended to read as follows:*

*"SEC. 505. (a) No position shall be placed in grade 16 or 17 of the General Schedule except by action of, or after prior approval by, the Commission.*

*"(b) No position shall be placed in or removed from grade 18 of the General Schedule except by the President upon recommendation of the Commission.*

*"(c) At any one time there shall not be more than four hundred positions in grade 16 of the General Schedule, not more than one hundred and*

fifteen positions in grade 17 of the General Schedule, and not more than thirty-five positions in grade 18 of the General Schedule.

"(d) Positions that may be established under the proviso of section 203 (b) (1) of the Act of August 2, 1946 (60 Stat. 836), may be in addition to those authorized by the foregoing provisions of this section."

(b) The amendment made by subsection (a) shall not affect positions allocated to grades 16, 17, and 18 of the General Schedule of the Classification Act of 1949, as amended, pursuant to provisions of law (other than the Classification Act of 1949, as amended) and reorganization plans in effect prior to the effective date of this section.

#### LONGEVITY STEP-INCREASES

SEC. 102. (a) (1) Subsection (a) of section 703 of the Classification Act of 1949, as amended, is amended by striking out the words "change of grade or rate of basic compensation except such change as may be prescribed by any provision of law of general application" and inserting in lieu thereof the words "increase in grade or rate of basic compensation except such increase as may be prescribed by any provision of law of general application".

(2) Subsection (b) (1) of section 703 of the Classification Act of 1949, as amended, is amended to read as follows:

"(b) (1) No officer or employee shall be entitled to a longevity step-increase while holding a position in any grade above grade 15 of the General Schedule."

(b) The amendments made by subsection (a) shall become effective at the beginning of the first pay period following the date of enactment of this Act.

SEC. 103. (a) Section 704 of the Classification Act of 1949, as amended, is amended to read as follows:

"SEC. 704. In the case of officers and employees in grades 11 to 15, inclusive, of the General Schedule who are receiving compensation at or above the maximum scheduled rates for their respective grades on the date immediately preceding the effective date of this amendatory section, not to exceed three years of service performed immediately preceding such effective date shall be counted toward longevity step-increases under section 703. Notwithstanding subsection (b) (4) of section 703, longevity step-increases for grade 15 of the General Schedule shall be \$200."

(b) The amendment made by subsection (a) shall become effective at the beginning of the first pay period following the date of enactment of this Act.

#### RECRUITMENT ABOVE THE MINIMUM RATE OF THE CLASS

SEC. 104. Section 803 of the Classification Act of 1949, as amended, is amended to read as follows:

"SEC. 803. (a) Whenever the Commission shall find (1) that a sufficient number of qualified eligibles for positions in a given class cannot be secured in one or more areas or locations at the existing minimum rate for such class, and (2) that there is a possibility that a sufficient number of such eligibles can be secured by increasing the minimum rate for such class in such areas or locations to one of the higher rates within the grade in which such class is placed, the Commission may establish such higher rate as the minimum rate for that class in each area or location concerned.

"(b) Minimum rates established under subsection (a) may be revised from time to time by the Commission. Such actions or revisions shall have the force and effect of law.

## FRINGE EMPLOYMENT BENEFITS FOR FEDERAL EMPLOYEES 3

"(c) Any increase in rate of basic compensation resulting from the establishment of minimum rates under this section shall not be regarded as an 'equivalent increase' in compensation within the meaning of section 701 (a)."

EXCLUSION FROM CLASSIFICATION ACT OF 1949 OF CRAFTS, TRADES, AND LABOR POSITIONS AND APPLICATION OF PREVAILING WAGE POLICY TO SUCH POSITIONS

SEC. 105. (a) Paragraph (7) of section 202 of the Classification Act of 1949, as amended, is amended to read as follows:

"(7) employees in recognized trades or crafts, or other skilled mechanical crafts, or in unskilled, semiskilled, or skilled manual-labor occupations, and other employees including foremen and supervisors in positions having trade, craft, or laboring experience and knowledge as the paramount requirement, and employees in the Bureau of Engraving and Printing the duties of whom are to perform or to direct manual or machine operations requiring special skill or experience, or to perform or direct the counting, examining, sorting, or other verification of the product of manual or machine operations: Provided, That the compensation of such employees shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates: Provided further, That whenever the Civil Service Commission concurs in the opinion of the employing agency that in any given area the number of such employees is so few as to make prevailing rate determinations impracticable, such employee or employees shall be subject to the provisions of this Act which are applicable to positions of equivalent difficulty or responsibility."

(b) Section 204 (c) of the Classification Act of 1949, as amended, is amended to read as follows:

"(c) Section 202 (except paragraph (7) thereof) and section 203 shall not apply to the Office of the Architect of the Capitol."

TRANSFER OF CERTAIN POSITIONS FROM THE CRAFTS, PROTECTIVE, AND CUSTODIAL SCHEDULE TO THE GENERAL SCHEDULE

SEC. 106. (a) Not earlier than the first day of the second pay period which begins after the date of enactment of this Act, and not later than the first day of the first pay period which begins more than six months after the date of enactment of this Act, all positions in the Crafts, Protective, and Custodial Schedule of the Classification Act of 1949, as amended, not excluded from such Act by section 202 (7) thereof, as amended by section 105 of this title, shall be placed in corresponding grades of the General Schedule as set forth below:

Grade of the Crafts, Protective and Custodial Schedule	Corresponding new grade of the General Schedule
1	1
2	1
3	1
4	2
5	3
6	4
7	5
8	6
9	7
10	8

(b) The rates of basic compensation of officers and employees to whom this section applies shall be initially adjusted as follows:

(1) If the employee is receiving a rate of basic compensation in the Crafts, Protective, and Custodial Schedule which is less than the minimum scheduled rate of that grade in the General Schedule in which his position is placed, his compensation shall be increased to such minimum rate;

(2) If the employee is receiving a rate of basic compensation in the Crafts, Protective, and Custodial Schedule which is equal to one of the scheduled or longevity rates of that grade in the General Schedule in which his position is placed, he shall receive a rate of basic compensation at such scheduled or longevity rate;

(3) If the employee is receiving a rate of basic compensation in the Crafts, Protective, and Custodial Schedule at a rate between two scheduled or two longevity rates, or between a scheduled rate and a longevity rate, of that grade in the General Schedule in which his position is placed, he shall receive a rate of basic compensation at the higher of such two rates;

(4) If the employee is receiving a rate of basic compensation in the Crafts, Protective, and Custodial Schedule in excess of the maximum longevity rate of that grade in the General Schedule in which his position is placed, he shall continue to receive basic compensation without change in rate until (A) he leaves such position, or (B) he is entitled to receive basic compensation at a higher rate by reason of the operation of the Classification Act of 1949, as amended; but when such position becomes vacant the rate of basic compensation of any subsequent appointee shall be fixed in accordance with such Act, as amended.

(c) The conversion to grades of the General Schedule of positions covered by this section, and the initial adjustments in compensation as prescribed herein, shall not be construed to be transfers or promotions within the meaning of section 802 (b) of the Classification Act of 1949, as amended, and the regulations issued thereunder.

#### ABOLISHMENT OF CRAFTS, PROTECTIVE, AND CUSTODIAL SCHEDULE

SEC. 107. Section 601 of the Classification Act of 1949, as amended, is amended to read as follows:

"SEC. 601. There is hereby established for positions to which this Act applies a basic compensation schedule, to be known as the 'General Schedule', the symbol for which shall be 'GS'."

SEC. 108. (a) Section 602 of the Classification Act of 1949, as amended, is amended by striking out "(a)" after "SEC. 602."

(b) Subsection (b) of such section 602 is hereby repealed.

SEC. 109. (a) Subsection (a) of section 603 of the Classification Act of 1949, as amended, is amended to read as follows:

"(a) The rates of basic compensation with respect to officers, employees, and positions to which this Act applies shall be in accordance with the compensation schedule contained in subsection (b)."

(b) Subsection (c) of such section 603 is hereby repealed.

(c) Subsection (d) of such section 603 is amended to read as follows:

"(c) Whenever payment is made on the basis of a daily, hourly, weekly, biweekly, or monthly rate, such rate shall be computed from the appropriate annual rate specified in subsection (b) by the method prescribed in section 604 (d) of the Federal Employees Pay Act of 1945, as amended."

SEC. 110. (a) Section 105 of this title shall take effect on the date or dates specified by the head of a department, but not earlier than the first



day of the second pay period which begins after the date of enactment of this Act, and not later than the first day of the first pay period which begins more than twelve months after the date of enactment of this Act, with respect to each employee and position in such department within the purview of such section 105.

(b) Sections 107, 108, and 109 of this title shall take effect, with respect to employees and positions in a department, upon the completion of the actions required by sections 105 and 106 of this title to be taken with respect to such employees and positions, but in no event later than the first day of the first pay period which begins more than twelve months after the date of enactment of this Act.

#### MISCELLANEOUS PROVISIONS

SEC. 111. Section 604 of the Classification Act of 1949, as amended, is amended to read as follows:

"SEC. 604. Employees receiving basic compensation at a rate authorized by law, immediately prior to the effective date of this title, in excess of the appropriate new rate of the grade as determined under paragraphs (1) to (10), inclusive, of section 604 (b) of this Act, as in effect prior to the date of enactment of this amended section, may continue to receive such rate so long as they remain in the same position and grade, but when any such position becomes vacant, the rate of basic compensation of any subsequent appointee shall be fixed in accordance with this Act."

SEC. 112. Sections 703 (c) and 802 (b) of the Classification Act of 1949, as amended, are amended by striking out "section 604 (b) (11)" and inserting in lieu thereof "section 604".

SEC. 113. The Civil Service Commission is hereby authorized to issue such regulations as may be necessary for the administration of this title.

SEC. 114. Nothing contained in this title shall be construed to decrease the existing rate of basic compensation of any present employee, but when his position becomes vacant any subsequent appointee to such position shall be compensated in accordance with the scale of pay applicable to such position.

SEC. 115. The term "department" shall have the same meaning in this title as when used in the Classification Act of 1949, as amended.

#### TITLE II—AMENDMENTS TO THE FEDERAL EMPLOYEES PAY ACT OF 1945, AS AMENDED

SEC. 201. This title may be cited as the "Federal Employees Pay Act Amendments of 1954".

SEC. 202. (a) Subsection (a) of section 101 of the Federal Employees Pay Act of 1945, as amended, is amended by striking out "titles II and III" and inserting in lieu thereof "titles II, III, and IV".

(b) Subsection (b) of such section 101 is hereby repealed.

#### COMPENSATION FOR OVERTIME WORK

SEC. 203. Section 201 of the Federal Employees Pay Act of 1945, as amended, is amended to read as follows:

"SEC. 201. All hours of work officially ordered or approved in excess of forty hours in any administrative workweek performed by officers and

employees to whom this title applies shall be considered to be overtime work and compensation for such overtime work, except as otherwise provided for in this Act, shall be at the following rates:

"(1) For each officer and employee whose basic compensation is at a rate which does not exceed the minimum scheduled rate of basic compensation provided for grade GS-9 in the Classification Act of 1949, as amended, the overtime hourly rate of compensation shall be an amount equal to one and one-half times the hourly rate of basic compensation of such officer or employee, and all of such amount shall be considered premium compensation.

"(2) For each officer and employee whose basic compensation is at a rate which exceeds the minimum scheduled rate of basic compensation provided for grade GS-9 in the Classification Act of 1949, as amended, the overtime hourly rate of compensation shall be an amount equal to one and one-half times the hourly rate of such minimum scheduled rate of basic compensation, and all of such amount shall be considered premium compensation."

SEC. 204. Section 202 (a) of the Federal Employees Pay Act of 1945, as amended, is amended to read as follows:

"SEC. 202. (a) The head of any department, independent establishment, or agency, including Government-owned or controlled corporations, or of the municipal government of the District of Columbia, or the head of any legislative or judicial agency to which this title applies, (1) may, at the request of any officer or employee, grant such officer or employee compensatory time off from his scheduled tour of duty in lieu of payment for an equal amount of time spent in irregular or occasional overtime work, and (2) may, at his own discretion, provide that any officer or employee, whose rate of basic compensation is in excess of the maximum scheduled rate of basic compensation provided for grade GS-9 in the Classification Act of 1949, as amended, shall be compensated for irregular or occasional overtime work for which compensation would be due under this Act with an equal amount of compensatory time off from his scheduled tour of duty in lieu of such compensation."

SEC. 205. (a) Section 203 of the Federal Employees Pay Act of 1945, as amended, is redesignated as section 205, and wherever such section number appears in such Act or in any other provision of law it is amended to conform to the redesignation prescribed by this subsection.

(b) The Federal Employees Pay Act of 1945, as amended, is amended by inserting after section 202 thereof the following new sections:

#### "CALL-BACK OVERTIME

"SEC. 203. For the purposes of this Act, any unscheduled overtime work performed by any officer or employee on a day when no work was scheduled for him, or for which he is required to return to his place of employment, shall be considered to be at least two hours in duration.

#### "TIME IN TRAVEL STATUS

"SEC. 204. For the purposes of this Act, time spent in a travel status away from the official-duty station of any officer or employee shall be considered as hours of employment only when (1) within the days and hours of such officer's or employee's regularly scheduled administrative workweek, including regularly scheduled overtime hours, or (2) when the travel involves the performance of work while traveling or is carried out under arduous conditions."

COMPENSATION FOR NIGHT AND HOLIDAY WORK

SEC. 206. Section 301 of the Federal Employees Pay Act of 1945, as amended, is amended to read as follows:

"SEC. 301. (a) Any regularly scheduled work between the hours of six o'clock postmeridian and six o'clock antemeridian (including periods of absence with pay during such hours due to holidays, and any such hours within periods of leave with pay if such periods total less than eight hours during any pay period) shall be considered nightwork, except as provided in subsection (b), and any officer or employee performing such work to whom this title applies shall be compensated for such work at his rate of basic compensation plus premium compensation amounting to 10 per centum of such rate, unless otherwise provided in title IV of this Act. This section shall not operate to modify the provisions of the Act of July 1, 1944 (Public Law Numbered 394, Seventy-eighth Congress), or any other law authorizing additional compensation for nightwork.

"(b) The head of any department, independent establishment, or agency, including Government-owned or controlled corporations, may designate any time after six o'clock postmeridian and any time before six o'clock antemeridian as the beginning and end, respectively, of nightwork for the purpose of subsection (a) at any post outside the several States and the District of Columbia where customary hours of business extend into the hours of nightwork provided by such subsection."

SEC. 207. Section 302 of the Federal Employees Pay Act of 1945, as amended, is amended to read as follows:

"SEC. 302. (a) All work not exceeding eight hours, which is not overtime work as defined in section 201 of this Act and which is performed on a holiday designated by Federal statute or Executive order, shall be compensated at the rate of basic compensation of the officer or employee performing such work on a holiday plus premium compensation at a rate equal to the rate of basic compensation of such officer or employee.

"(b) Any officer or employee who is required to perform any work on such a holiday shall be compensated for at least two hours of such work, and any such premium compensation due under the provisions of this section shall be in addition to any premium compensation which may be due for the same work under the provisions of section 301 of this Act providing premium compensation for nightwork.

"(c) Overtime work, as defined in section 201 of this Act, on Sundays and such holidays shall be compensated in accordance with the provisions of such section 201."

SPECIAL PROVISIONS FOR CERTAIN TYPES OF WORK

SEC. 208. (a) The Federal Employees Pay Act of 1945, as amended, is amended by inserting after title III thereof a new title to read as follows:

"TITLE IV—SPECIAL PROVISIONS FOR CERTAIN TYPES OF WORK

"SEC. 401. The head of any department, independent establishment, or agency, including Government-owned or controlled corporations, or of the municipal government of the District of Columbia may, with the approval of the Civil Service Commission, provide that—

"(1) any officer or employee in a position requiring him regularly to remain at, or within the confines of, his station during longer than

ordinary periods of duty, a substantial part of which consists of remaining in a standby status rather than performing work, shall receive premium compensation for such duty on an annual basis in lieu of premium compensation provided by any other provisions of this Act. Premium compensation under this paragraph shall be determined as an appropriate percentage (not in excess of 25 per centum) of such part of the rate of basic compensation for any such position as does not exceed the minimum scheduled rate of basic compensation provided for grade GS-9 in the Classification Act of 1949, as amended, by taking into consideration the number of hours of actual work required in such position, the number of hours required in a standby status at or within the confines of the station, the extent to which the duties of such position are made more onerous by night or holiday work, or by being extended over periods of more than forty hours a week, and any other relative factors; or

"(2) any officer or employee in a position in which the hours of duty cannot be controlled administratively, and which requires substantial amounts of irregular, unscheduled, overtime duty and duty at night and on holidays with the officer or employee generally being responsible for recognizing, without supervision, circumstances which require him to remain on duty, shall receive premium compensation for such duty on an annual basis in lieu of premium compensation provided by any other provisions of this Act, except for regularly scheduled overtime duty. Premium compensation under this paragraph shall be determined as an appropriate percentage (not in excess of 15 per centum) of such part of the rate of basic compensation for any such position as does not exceed the minimum scheduled rate of basic compensation provided for grade GS-9 in the Classification Act of 1949, as amended, by taking into consideration the frequency and duration of night, holiday, and unscheduled overtime duty required in such position."

(b) Nothing contained in this section shall be construed to decrease the existing aggregate rate of compensation of any present employee, but when the position of such employee becomes vacant any subsequent appointee thereto shall receive premium compensation provided for such position in accordance with this section.

#### LIMITATION ON PREMIUM COMPENSATION

SEC. 209. Section 603 of the Federal Employees Pay Act of 1945, as amended, and the heading immediately preceding such section are amended to read as follows:

#### "LIMITATION ON PREMIUM COMPENSATION

"SEC. 603. (a) No premium compensation provided by this Act shall be paid to any officer or employee whose rate of basic compensation equals or exceeds the maximum scheduled rate of basic compensation provided for grade GS-15 in the Classification Act of 1949, as amended.

"(b) In the case of any officer or employee whose rate of basic compensation is less than the maximum scheduled rate of basic compensation provided for grade GS-15 in the Classification Act of 1949, as amended, such premium compensation may be paid only to the extent that such payment would not cause his aggregate rate of compensation to exceed such maximum scheduled rate with respect to any pay period."

WORK SCHEDULES

SEC. 210. (a) The heading immediately preceding section 604 of the Federal Employees Pay Act of 1945, as amended, is amended to read as follows:

"ESTABLISHMENT OF BASIC WORKWEEK; WORK SCHEDULES; PAY COMPUTATION METHODS"

(b) Section 604 (a) of the Federal Employees Pay Act of 1945, as amended, is amended by inserting "(1)" after "(a)" and by adding at the end thereof a new paragraph as follows:

"(2) Except where the head of each such department, establishment, or agency and of the municipal government of the District of Columbia determines that his organization would be seriously handicapped in carrying out its functions or that costs would be substantially increased, he shall provide, with respect to all officers and employees in his organization, (A) that assignments to tours of duty shall be scheduled in advance over periods of not less than one week, (B) that the basic forty-hour workweek shall be scheduled on five days, which shall be Monday through Friday wherever possible, and the two days outside the basic workweek shall be consecutive, (C) that the working hours in each day in the basic workweek shall be the same, (D) that the basic nonovertime workday shall not exceed eight hours, (E) that the occurrence of holidays shall not affect the designation of the basic workweek, and (F) that breaks in working hours of more than one hour shall not be scheduled in any basic workday."

SEC. 211. This title shall become effective at the beginning of the first pay period which begins more than sixty days after the date of enactment of this Act.

TITLE III—GOVERNMENT EMPLOYEES' INCENTIVE AWARDS

SEC. 301. This title may be cited as the "Government Employees' Incentive Awards Act".

SEC. 302. The departmental awards program set forth in this title shall be carried out under such regulations and instructions as may be issued by the United States Civil Service Commission which shall annually report the results of the program, with related recommendations, to the President for transmittal to the Congress.

SEC. 303. As used in this title, the term "department" means an executive department or independent agency in the executive branch of the Government, including a Government-owned or controlled corporation (but not including the Tennessee Valley Authority), and also includes (a) the Administrative Office of the United States Courts, (b) the Library of Congress, (c) the Botanic Garden, (d) the Government Printing Office, (e) the Office of the Architect of the Capitol, and (f) the municipal government of the District of Columbia.

SEC. 304. (a) The head of each department is authorized to pay cash awards to, and to incur necessary expenses for the honorary recognition of, civilian officers and employees of the Government who by their suggestions, inventions, superior accomplishments, or other personal efforts contribute to the efficiency, economy, or other improvement of Government

operations or who perform special acts or services in the public interest in connection with or related to their official employment.

(b) In instances determined by the President to warrant such action, he is authorized to pay cash awards to, and to incur necessary expenses for the honorary recognition of, civilian officers and employees of the Government who by their suggestions, inventions, superior accomplishments, or other personal efforts contribute to the efficiency, economy, or other improvement of Government operations, or who perform exceptionally meritorious special acts or services in the public interest in connection with or related to their official employment, and any such Presidential awards may be in addition to the departmental awards authorized in subsection (a) of this section.

(c) Awards under this section may be paid notwithstanding the death or separation from the service of the officer or employee concerned: Provided, That the suggestions, inventions, superior accomplishments, other personal efforts, or special acts or services in the public interest forming the basis for the awards are made or rendered while the officer or employee is in the employ of the Government.

(d) A cash award under this section shall be in addition to the regular compensation of the recipient and the acceptance of such cash award shall constitute an agreement that the use by the Government of the United States or the municipal government of the District of Columbia of any idea, method or device for which the award is made shall not form the basis of a further claim of any nature upon the Government of the United States or the municipal government of the District of Columbia by the employee, his heirs, or assigns.

(e) Awards to employees and expenses for the honorary recognition of employees may be paid from the funds or appropriations available to the activity primarily benefiting or may be paid from the several funds or appropriations of the various activities benefiting as may be determined by the President for awards under subsection (b) of this section, and by the head of the department concerned for awards under subsection (a) of this section.

(f) An award under this title shall be given due weight in qualifying and selecting employees for promotion.

(g) A monetary award granted under this title shall not exceed \$5,000, except that an award in excess of such amount but not in excess of \$25,000 may be granted, with the approval of the Commission, in special cases in which the head of a department certifies to the Commission that the suggestion, invention, superior accomplishment, or other meritorious effort for which such award is proposed to be made is highly exceptional and unusually outstanding.

SEC. 305. The following laws and parts of laws are hereby repealed:

(a) Sections 702, 1002, and 1003 of the Classification Act of 1949 (63 Stat. 954; 5 U. S. C. 1122, 1152, 1153).

(b) Section 14 of the Act entitled "An Act to authorize certain administrative expenses in the Government service, and for other purposes", approved August 2, 1946 (60 Stat. 809; 5 U. S. C. 116a).

(c) The Act entitled "An Act authorizing payments of rewards to postal employees for inventions", approved December 3, 1945 (59 Stat. 591; 39 U. S. C. 813).

(d) The Act entitled "An Act authorizing the Secretary of War to pay a cash award for suggestions submitted by employees of certain establishments of the Ordnance Department for improvement or economy in

manufacturing process or plant", approved July 17, 1912 (37 Stat. 193; 50 U. S. C. 58).

(e) The Act entitled "An Act to provide equitable compensation for useful suggestions or inventions by personnel of the Department of the Interior", approved June 26, 1944 (58 Stat. 360; 5 U. S. C. 500).

(f) Subsections (a) and (b) of section 35 of the Act entitled "An Act to enact certain provisions now included in the Naval Appropriation Act, 1946, and for other purposes", approved August 2, 1946 (60 Stat. 857; 5 U. S. C. 416).

(g) The joint resolution entitled "Joint Resolution to provide cash awards to personnel of the Maritime Commission and the War Shipping Administration for useful suggestions to improve administration of their activities", approved March 13, 1944 (58 Stat. 115; 46 U. S. C. 1111b).

(h) All other laws or parts of laws inconsistent with this Act are hereby repealed to the extent of such inconsistency.

SEC. 306. The enactment of this title shall not affect the right of any employee to an award granted him under any provision of law repealed by this title.

SEC. 307. This title shall take effect on the ninetieth day after the date of its enactment.

#### TITLE IV—UNIFORM ALLOWANCES

SEC. 401. This title may be cited as the "Federal Employees Uniform Allowance Act".

SEC. 402. There is hereby authorized to be appropriated annually to each agency of the Government of the United States or of the District of Columbia (including Government-owned corporations), upon a showing of the necessity or desirability thereof, an amount not to exceed \$100 multiplied by the number of the employees of such agency who are required by regulation existing on the date of enactment of this Act or by law to wear a prescribed uniform in the performance of his or her official duties and who are not being furnished with such uniform. The head of any agency to which any such appropriation is made shall, out of funds made available by such appropriation, (1) furnish to each such employee such uniform at a cost not to exceed \$100 per annum, or (2) pay to each such employee an allowance for defraying the expenses of acquisition of such uniform at such times and in such amounts, not to exceed \$100 per annum, as may be prescribed in accordance with rules and regulations promulgated pursuant to section 404. Where the furnishing of a uniform or the payment of a uniform allowance is authorized under any other provision of law or regulation existing on the date of enactment of this Act, the head of the agency may in his discretion continue the furnishing of such uniform or the payment of such allowance under such law or regulation, but where a uniform is furnished or allowance paid under any such law or regulation no uniform shall be furnished or allowance paid under this section.

SEC. 403. Allowances paid under this title shall not be considered as pay, salary, or compensation within the meaning of the Civil Service Retirement Act of May 29, 1930, as amended, or as wages within the meaning of section 209 of the Social Security Act, as amended, or chapters 21 and 24 of the Internal Revenue Code of 1954.

SEC. 404. The Director of the Bureau of the Budget is authorized and directed to promulgate such rules and regulations as may be necessary to provide for the uniform administration of this title.



## TITLE V—ANNUAL LEAVE

SEC. 501. Clause (6) of section 2 of the Act of August 3, 1950, as amended by section 5 of the Act of July 2, 1953, is amended to read as follows: "(6) payment for all accumulated and current accrued annual or vacation leave equal to the compensation the decedent would have received had he remained in the service until the expiration of the period of such annual or vacation leave; except that such lump-sum payment shall not include compensation for any period of accumulated leave in excess of thirty days, plus current accrued leave, or in excess of the number of days of accumulated leave to which he is entitled on the date of separation (excluding accumulated leave earned in the 1954 leave year and thereafter), plus current accrued leave, whichever is the greater."

SEC. 502. Section 6 of the Act of July 2, 1953 (Public Law 102, Eighty-third Congress), is hereby repealed.

SEC. 503. Section 501 of this title shall take effect as of September 1, 1953.

## TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. (a) Section 2 (b) of the Performance Rating Act of 1950 (5 U. S. C., sec. 2001) is amended by striking out the period at the end thereof and inserting in lieu thereof a semicolon and the following:

"(12) The Central Intelligence Agency."

(b) Section 9 of the Central Intelligence Agency Act of 1949, as amended (50 U. S. C., sec. 403i), is hereby repealed.

SEC. 602. (a) Subsection (a) of section 1310 of the Supplemental Appropriation Act, 1952 (Public Law 253, Eighty-second Congress), as amended, is amended to read as follows:

"(a) The Civil Service Commission and the heads of the executive departments, agencies, and corporations shall make full use of their authority to require that initial appointments to positions in and outside the competitive civil service shall be made on other than a permanent basis in order to prevent increases in the number of permanent personnel of the Federal Government in excess of 10 per centum above the total number of permanent employees on September 1, 1950: Provided, That any position vacated by a permanent employee called to military service or transferred to a national defense agency shall not be filled except on a temporary or indefinite basis. All appointments, reinstatements, transfers, and promotions to positions subject to the Classification Act of 1949 shall be made with the condition and notice to each individual appointed, reinstated, transferred, or promoted that the classification grade of the position is subject to post-audit and correction by the appropriate departmental or agency personnel office or the Civil Service Commission."

(b) Such section 1310 is further amended by adding at the end thereof the following new subsection:

"(c) This section does not and shall not be construed to amend or modify the Veterans' Preference Act of 1944 (Public Law 359, Seventy-eighth Congress), as amended."

SEC. 603. The Official Reporters of the proceedings and debates of the Senate and their employees shall be considered to be officers or employees in or under the legislative branch of the Government within the meaning of the provisions of section 2 (a) of the Federal Employees' Group Life Insurance Act of 1954.

SEC. 604. The Act entitled "An Act authorizing the employment of mail messengers in the postal service", approved March 3, 1887 (39

U. S. C., sec. 578), is amended by adding at the end thereof the following new paragraph:

"The Postmaster General may, in his discretion and under such regulations as he may prescribe, readjust the compensation of the holder of any contract for the performance of mail-messenger service on account of increased or decreased costs occasioned by changed conditions which could not reasonably have been anticipated at the time such contract was made."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with an amendment as follows:

In lieu of the amended title proposed by the Senate amendment, amend the title so as to read: "An Act to provide certain employment benefits for employees of the Federal Government, and for other purposes."

EDWARD H. REES,  
JOEL T. BROYHILL,  
TOM MURRAY,

*Managers on the Part of the House.*

FRANK CARLSON,  
JAMES H. DUFF,  
OLIN D. JOHNSTON,

*Managers on the Part of the Senate.*

# STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2263) to authorize the Postmaster General to readjust the compensation of holders of contracts for the performance of mail-messenger service, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment strikes out all of the House bill after the enacting clause. The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment, and that the Senate agree to the same.

The House bill related only to the granting of authority to the Postmaster General to readjust the compensation of the holders of mail-messenger service contracts to reflect certain changes in operating costs. The Senate amendment (which does not contain any such provision) consists of six titles, as follows: Title I (containing amendments to the Classification Act of 1949), title II (containing amendments to the Federal Employees Pay Act of 1945), title III (providing for a program of incentive awards for Government employees), title IV (providing for uniform allowances for Government employees), title V (relating to annual leave of Government employees), and title VI (containing certain provisions relating to miscellaneous subjects).

The following statement discusses the provisions of the conference substitute and notes the similarities and differences between the conference substitute and the Senate amendment and the conference substitute and related provisions of S. 2665 as reported to the House by the Committee on Post Office and Civil Service of the House.

## TITLE I—AMENDMENTS TO CLASSIFICATION ACT OF 1949, AS AMENDED NUMBER OF POSITIONS IN GRADES 16, 17, AND 18 OF THE GENERAL SCHEDULE

Section 101 of the Senate amendment and section 103 of S. 2665, as reported to the House, relate to the number of positions authorized in grades 16, 17, and 18 of the general schedule of the Classification Act of 1949.

Subsection (a) of section 101 of the Senate amendment and subsection (a) of section 103 of S. 2665, as reported to the House, amend section 505 of the Classification Act of 1949, as amended. Such section 505 now provides that at any one time there shall not be more than 300 positions in grade GS-16, not more than 75 positions in grade GS-17, and not more than 25 positions in grade GS-18, making a total of 400 positions in these so-called supergrades. Such section 505, as amended by subsection (a) of section 101 of the Senate amendment, provides that at any one time there shall not be more than 400 posi-

tions in grade 16 of the general schedule, not more than 115 positions in grade 17 of the general schedule, and not more than 35 positions in grade 18 of the general schedule, making a total of 550 positions. Such section 505, as amended by subsection (a) of section 103 of S. 2665, as reported to the House, provides that at any one time there shall not be more than 396 positions in grade GS-16, not more than 123 positions in grade GS-17, and not more than 31 positions in grade GS-18, making a total of 550 positions. The conference substitute contains the provisions of the Senate amendment with respect to the number of positions in grades 16, 17, and 18 of the general schedule.

Both subsection (a) of section 101 of the Senate amendment and subsection (a) of section 103 of S. 2665, as reported to the House, continue the provisions of section 505 of the Classification Act of 1949 which require (1) that positions may be placed in grades GS-16 and GS-17 only by action of, or after prior approval by, the Civil Service Commission, and (2) that positions may be placed in or removed from grade GS-18 only by the President upon recommendation of the Civil Service Commission. The conference substitute also continues these provisions.

Such section 505, as amended by subsection (a) of section 101 of the Senate amendment, also provides that positions of senior specialists in the Legislative Reference Service of the Library of Congress which may be established under section 203 (b) (1) of the Legislative Reorganization Act of 1946 may be in addition to those authorized by the other provisions of section 505. No such provision is contained in S. 2665, as reported to the House. The conference substitute contains this provision of the Senate amendment.

Subsection (b) of section 101 of the conference substitute provides that the amendment made by subsection (a) shall not affect positions allocated to grades 16, 17, and 18 of the general schedule of the Classification Act of 1949, as amended, pursuant to provisions of law (other than such act) and reorganization plans in effect prior to the effective date of such section 101. The Senate amendment and S. 2665, as reported to the House, contain the same provision.

#### LONGEVITY STEP-INCREASES

Subsection (a) (1) of section 102 of the conference substitute amends subsection (a) of section 703 of the Classification Act of 1949, as amended, to provide that, if an employee who has earned credit toward the required 3-year longevity period at the maximum rate or a longevity rate of his grade is transferred to the maximum rate or a longevity rate of a lower grade, the credit earned by such employee in the higher grade shall apply toward a longevity step increase in the lower grade. Under such subsection (a) of section 703 of the Classification Act of 1949 as now in effect, an employee has to begin his 3-year longevity period over again when he is reduced in grade. Subsection (a) (1) of section 102 of the Senate amendment contains the same provision. There is no comparable provision in S. 2665, as reported to the House.

Subsection (a) (2) of section 102 of the conference substitute amends subsection (b) (1) of section 703 of the Classification Act of 1949, as amended, to provide that no officer or employee in a position in any grade above grade 15 of the general schedule shall be entitled to a

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longevity step increase. Such section 703 (b) (1) now provides that no officer or employee in a position in any grade above grade 10 of the general schedule shall be entitled to a longevity step increase. Both subsection (a) (2) of section 102 of the Senate amendment and subsection (a) of section 104 of S. 2665, as reported to the House, contain this provision of the conference substitute.

Subsection (b) of section 102 of the conference substitute provides that the amendments made by subsection (a) shall take effect at the beginning of the first pay period after the date of enactment of the conference substitute. The Senate amendment and S. 2665, as reported to the House, contain the same effective date provisions.

Subsection (a) of section 103 of the conference substitute amends section 704 of the Classification Act of 1949, as amended. Such section 704, as so amended, provides that, in the case of employees in grades 11 to 15, inclusive, of the general schedule, not to exceed 3 years of service performed immediately prior to the effective date of the amendment at or above the maximum scheduled rates for their respective grades shall be counted toward longevity step increases. For grade GS-15, which has within-grade compensation steps of \$250, longevity step increases are limited to \$200. These same provisions are also contained in subsection (a) of section 103 of the Senate amendment and subsection (a) of section 105 of S. 2665, as reported to the House.

Subsection (b) of section 103 of the conference substitute provides that this amendment shall become effective at the beginning of the first pay period after the date of enactment of the conference substitute. The Senate amendment and S. 2665, as reported to the House, contain the same effective date provisions.

#### RECRUITMENT ABOVE THE MINIMUM RATE OF THE CLASS

Section 104 of the conference substitute amends section 803 of the Classification Act of 1949, as amended. Such section 803, as so amended, relates to the recruitment of employees at pay rates above the statutory minimum rate for a class of positions when authorized, under certain conditions, by the Civil Service Commission. Under section 801 of the Classification Act of 1949, each original appointment to any position under such act must be at the minimum per annum rate of the grade in which such position is classified. At times the inflexibility of this provision has constituted an impediment to the recruitment of a sufficient number of qualified eligibles to fill positions in a given class in certain areas.

Subsection (a) of section 803 of the Classification Act of 1949, as amended by section 104 of the conference substitute, provides that whenever the Civil Service Commission finds with respect to any area or location (1) that a sufficient number of qualified eligibles for positions in a given class cannot be secured at the existing minimum rate for such class, and (2) that there is a possibility of securing a sufficient number of such eligibles by increasing the minimum rate for such class of positions in such area or location, the Commission may establish one of the within-grade step rates above the statutory minimum rate of the appropriate grade for such class of positions as the minimum or entrance rate for such class of positions in such area or location.

Subsection (b) of section 803 of the Classification Act of 1949, as amended by section 104 of the conference substitute, authorizes the

Civil Service Commission to revise, from time to time, such higher minimum rates as it may establish under subsection (a). Subsection (b) also provides that such rates or any revisions thereof established under section 803 shall have the force and effect of law.

Subsection (c) of the amended section 803 provides that any increase in rate of basic compensation under section 803 shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701 (a) of the Classification Act of 1949 (which relates to within-grade step increases).

These same provisions with respect to recruitment above the minimum rate of the class are also contained in section 104 of the Senate amendment and section 106 of S. 2665, as reported to the House.

**EXCLUSION FROM CLASSIFICATION ACT OF 1949 OF CRAFTS, TRADES, AND LABOR POSITIONS AND APPLICATION OF PREVAILING WAGE POLICY TO SUCH POSITIONS**

Subsection (a) of section 105 of the conference substitute amends paragraph (7) of section 202 of the Classification Act of 1949, as amended. Paragraph (7), as so amended, removes from the coverage of that Act employees in recognized trades or crafts, or other skilled mechanical crafts, or in unskilled, semiskilled, or skilled manual-labor occupations, the duties of which involve the maintenance and operation of public buildings and associated equipment or the performance of work in scientific or engineering laboratories as assistants to scientists or engineers, and other employees including foremen and supervisors in positions having trade, craft, or laboring experience and knowledge as the paramount requirement. Paragraph (7), as so amended, also provides that the compensation of such employees shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates (as is the case with respect to other employees who come within the purview of this paragraph), except that where, in the opinion of the employing agency and the Civil Service Commission, it is impracticable to do so because of the small number of these employees in any given area, the rates of compensation for such employees in that particular area shall be fixed at rates of compensation prescribed in the Classification Act of 1949, as amended, for positions of equivalent difficulty or responsibility. The effective date of section 105 of the conference substitute is provided for in section 110 (a) of the conference substitute, which provides that section 105 shall take effect on the date or dates specified by the head of a department, but not earlier than the first day of the second pay period which begins after the date of enactment of the conference substitute, and not later than the first day of the first pay period which begins more than 12 months after the date of enactment of the conference substitute, with respect to each employee and position in such department within the purview of such section 105.

The change made by subsection (a) of section 105 of the conference substitute will affect about 69,000 crafts, trades, and manual-labor employees. Of this number, approximately 37,000 are employed by the Veterans' Administration and 16,000 in the General Services Administration, with others spread throughout a number of agencies.

Some of these employees will receive increased pay when they are moved to a prevailing-rate pay system. As provided in section 114 of the conference substitute, no employee will have his present pay reduced as a result of such change.

Both subsection (a) of section 105 of the Senate amendment and section 107 of S. 2665, as reported to the House, contain the above provisions.

Subsection (b) of section 105 of the conference substitute amends section 204 (c) of the Classification Act of 1949, as amended, to permit the Architect of the Capitol to compensate, on the basis of prevailing wage rates, those employees in crafts and labor occupations now compensated under the crafts, protective, and custodial schedule of the Classification Act of 1949. This provision is also contained in subsection (b) of section 105 of the Senate amendment but is not contained in S. 2665, as reported to the House.

#### TRANSFER OF CERTAIN POSITIONS FROM THE CRAFTS, PROTECTIVE, AND CUSTODIAL SCHEDULE TO THE GENERAL SCHEDULE

Subsection (a) of section 106 of the conference substitute directs the conversion from the crafts, protective, and custodial schedule to the general schedule of all positions which do not go to the prevailing-wage system by virtue of the amendment made by section 105 of the conference substitute to paragraph (7) of section 202 of the Classification Act of 1949. Such positions which are in grades CPC-1, 2, and 3 shall be placed in grade GS-1 and such positions which are in grades CPC-4, 5, 6, 7, 8, 9, and 10 shall be placed in grades GS-2, 3, 4, 5, 6, 7, and 8, respectively. No such action may be taken prior to the first day of the second pay period beginning after the date of enactment of the conference substitute nor later than the first day of the first pay period beginning more than 6 months after such date of enactment.

Subsection (b) of section 106 of the conference substitute prescribes the following rules by which the existing pay rates of employees under the crafts, protective, and custodial schedule are to be initially adjusted to the rates in the general schedule:

(1) Each employee paid at a rate of basic compensation in the crafts, protective, and custodial schedule which is less than the minimum scheduled rate of the grade in the general schedule in which his position is placed, shall have his compensation increased to such minimum rate;

(2) Each employee paid at a rate of basic compensation in the crafts, protective, and custodial schedule which is equal to one of the scheduled or longevity rates of the grade in the general schedule in which his position is placed, shall be paid at such scheduled or longevity rate;

(3) Each employee paid at a rate of basic compensation in the crafts, protective, and custodial schedule which is at a rate between 2 scheduled or 2 longevity rates, or between a scheduled rate and a longevity rate, of the grade in the general schedule in which his position is placed, shall be paid compensation at the higher of such 2 rates;

(4) Each employee paid at a rate of basic compensation in the crafts, protective, and custodial schedule which is in excess of the maximum longevity rate of the grade in the general schedule in which his position is placed, shall continue to be paid basic compensation without



any change in rate until he either leaves such position or is entitled to receive basic compensation at a higher rate by reason of the operation of the Classification Act of 1949, as amended; but when such position becomes vacant the rate of basic compensation of any subsequent appointee shall be fixed in accordance with the Classification Act of 1949, as amended.

Subsection (c) of section 106 of the conference substitute provides that the conversion of positions to grades of the general schedule under such section 106, and the initial adjustments in compensation prescribed in such section, shall not be construed to be transfers or promotions within the meaning of section 802 (b) of the Classification Act of 1949, as amended, and regulations issued thereunder.

The conversion prescribed in this section of the conference substitute will affect about 47,000 employees, mostly guards, messengers, and fire fighters, the majority of which are in the Department of Defense and General Services Administration. Most of these employees would receive small pay increases by conversion of their positions to the general schedule. Like the CPC workers who are moved to a prevailing-rate system, none would have his present pay reduced. Both section 106 of the Senate amendment and section 108 of S. 2665, as reported to the House, contain identical provisions with respect to the transfer to the general schedule of the above-mentioned positions in the crafts, protective, and custodial schedule.

#### ABOLISHMENT OF CRAFTS, PROTECTIVE, AND CUSTODIAL SCHEDULE

Sections 107, 108, and 109 of the conference substitute abolish the crafts, protective, and custodial schedule by making necessary revisions in the language of the Classification Act of 1949 to effect that action.

Section 107 deletes from section 601 of the Classification Act of 1949 reference to the crafts, protective, and custodial schedule.

Section 108 deletes from section 602 of the Classification Act of 1949 the grade-level definitions of the crafts, protective, and custodial schedule.

Section 109 deletes from section 603 of the Classification Act of 1949 the entire crafts, protective, and custodial schedule, incidental references to such schedule, and paragraph (c) (2) of such section relating to the rates of pay of charwomen and head charwomen.

Section 110 of the conference substitute relates to the dates on which sections 105, 107, 108, and 109 of the conference substitute shall become effective.

Subsection (a) of section 110 provides that section 105 (relating to the conversion of employees and positions to prevailing-wage rate basis) shall be effective on the date or dates specified by the head of a department but not earlier than the beginning of the second pay period following the date of enactment of the conference substitute nor later than the first day of the first pay period beginning more than 12 months after such date of enactment.

Subsection (b) of section 110 provides that, with respect to employees and positions in a given department, the crafts, protective, and custodial schedule shall be abolished effective upon the completion of the conversion of employees and positions to prevailing-wage rate basis under section 105 and the conversion of the remaining employees and positions to the general schedule under section 106, but, in any

event, not later than the first day of the first pay period beginning more than 12 months after the date of enactment of the conference substitute.

These above-discussed provisions of the conference substitute relating to the abolishment of the crafts, protective, and custodial schedule are also contained in sections 107, 108, 109, and 110 of the Senate amendment and in sections 109, 110, 111, and 112 of S. 2665, as reported to the House.

#### MISCELLANEOUS PROVISIONS

Section 111 of the conference substitute deletes from section 604 of the Classification Act of 1949 certain obsolete rules for the adjustment of basic compensation to the original pay scales of the Classification Act of 1949. One necessary provision, a broad savings clause, is retained.

Section 112 of the conference substitute makes certain changes in references to section 604 of the Classification Act of 1949 which are made necessary by the amendment to such section made by section 111.

Section 113 of the conference substitute authorizes the Civil Service Commission to issue regulations for the administration of title I of the conference substitute.

Section 114 of the conference substitute is a general overall compensation saving provision. It provides that nothing in title I of the conference substitute shall be construed to reduce the existing rate of basic compensation of any present employee, when, for example, he is changed from one schedule to another or from a scheduled rate of pay to a prevailing-rate basis, or by reason of any other provision of title I. However, when he vacates his position, the compensation of any subsequent appointee to such position will be fixed in accordance with the regular scale of pay applicable to such position.

Section 115 of the conference substitute provides that the term "department" shall have the same meaning in title I of the conference substitute as when used in the Classification Act of 1949, as amended.

These above-discussed miscellaneous provisions of title I of the conference substitute are the same as sections 111, 112, 113, and 114 of the Senate amendment and sections 113, 114, 115, and 116 of S. 2665, as reported to the House.

#### TITLE II—AMENDMENTS TO THE FEDERAL EMPLOYEES PAY ACT OF 1945, AS AMENDED

Title II of the conference substitute contains amendments to the Federal Employees Pay Act of 1945, as amended. Title II of the conference substitute, except sections 203 and 208 (a) thereof, is the same as title II of the Senate amendment and title II of S. 2665, as reported to the House.

Section 201 of the conference substitute provides that title II may be cited as the "Federal Employees Pay Act Amendments of 1954".

#### COVERAGE

Section 202 of the conference substitute makes the coverage of the new title IV added by the conference substitute to the Federal Employees Pay Act of 1945, as amended, the same as the coverage of

other overtime, night, and holiday-pay provisions of that act. Section 202 also repeals an obsolete subsection (subsec. (b) of sec. 101) of the Federal Employees Pay Act of 1945, as amended.

#### COMPENSATION FOR OVERTIME WORK

The present provisions of section 201 of the Federal Employees Pay Act of 1945, as amended, establish a time-and-one-half rate of overtime pay for employees whose basic salaries are less than \$2,980 per annum and a diminishing scale of overtime pay for employees whose basic salaries are \$2,980 or more per annum. Both section 203 of the Senate amendment and section 203 of S. 2665, as reported to the House, amend section 201 of the Federal Employees Pay Act of 1945, as amended, in order to provide overtime pay at a time-and-one-half rate for employees whose basic salaries do not exceed the maximum scheduled rate of grade GS-9. For employees above that salary level such sections of the Senate amendment and S. 2665, as reported to the House, provide overtime pay at a rate equivalent to time and one-half at such maximum scheduled rate of grade GS-9, or at their respective rates of basic compensation, whichever is greater. Section 203 of the conference substitute changes such provisions of the Senate amendment and S. 2665, as reported to the House, by providing for (1) overtime pay at a time-and-one-half rate for employees whose basic salaries do not exceed the minimum (instead of maximum) scheduled rate of grade GS-9, and (2) overtime pay at a rate equivalent to time and one-half at such minimum scheduled rate of grade GS-9 for employees whose basic salaries do exceed such minimum scheduled rate of grade GS-9.

Section 204 of the conference substitute amends section 202 (a) of the Federal Employees Pay Act of 1945, as amended, in order to give agency heads the authority, which they do not now have, to require employees at salaries above the maximum scheduled rate of grade GS-9 to take compensatory time off instead of receiving overtime pay for irregular or occasional overtime duty. The amendment made by section 204 also continues existing authority for granting compensatory time off, at the request of an employee, in place of pay for irregular or occasional overtime work. In both instances, the time off so provided will compensate the employee for an equal amount of time spent by him in irregular or occasional overtime work.

#### CALL-BACK OVERTIME AND TIME IN TRAVEL STATUS

Subsection (a) of section 205 of the conference substitute redesignates section 203 of the Federal Employees Pay Act of 1945, as amended, as section 205 of that act and contains language which, in effect, amends all references to such section 203 elsewhere in existing law to conform with such redesignation.

Subsection (b) of section 205 of the conference substitute adds new sections 203 and 204 to the Federal Employees Pay Act of 1945, as amended.

The new section 203 provides a minimum of 2 hours of pay at the overtime rate for any employee who is called back to perform unscheduled overtime work either on a regular workday after he has completed his regular schedule of work and left his place of employment or on one of the days when he is off duty.

The new section 204 places on a statutory basis those principles now established by decisions of the Comptroller General which relate to time spent in a travel status away from the official duty station of an officer or employee. Under the new section 204 such time is treated as hours of employment only when: (1) within the regularly scheduled workweek, including regularly scheduled overtime, of the officer or employee, or (2) the travel involves the performance of work while traveling or is carried out under arduous conditions which have the effect of making such travel inseparable from work.

#### COMPENSATION FOR NIGHT AND HOLIDAY WORK

Section 206 of the conference substitute amends the night-differential-pay provisions of section 301 of the Federal Employees Pay Act of 1945, as amended. The amendment made by section 206 does not change the existing 10 percent rate of night differential for regularly scheduled work between 6 p. m. and 6 a. m. At present employees receive night differential only for hours actually worked. New provisions contained in the amendment made by section 206 liberalize this existing requirement that hours be actually worked by allowing an employee whose regular tour of duty includes nightwork to be paid night differential: (1) for his regular nightwork hours when he does not work because of a holiday, and (2) for periods of leave with pay during any pay period in which his leave totals less than 8 hours. The amendment made by section 206 also authorizes agency heads to change the night-differential period at overseas posts to the extent required to relieve such agencies of the necessity for paying night differential during hours that are customary hours of business in the locality concerned.

Section 207 of the conference substitute amends the holiday-pay provisions of section 302 of the Federal Employees Pay Act of 1945, as amended. The amendment made by section 207 continues the existing provision for extra pay at the straight-time rate, in addition to pay at the regular rate, for work on a holiday within the 40-hour basic workweek of an employee. The amendment also adds a new provision guaranteeing a minimum of 2 hours of pay at the holiday rate for any employee required to work on a holiday. The amendment also provides that any extra pay for an employee at the holiday rate shall be in addition to the differential of 10 percent which such employee is entitled to receive for a regularly scheduled tour of duty performed by him at night on a holiday, each such rate of premium compensation for such holiday or nightwork being computed separately on the rate of basic compensation of the employee concerned. In addition, the amendment states explicitly the policy which is implicit in existing provisions of the Federal Employees Pay Act of 1945, as amended, that is, that overtime work on Sundays and holidays is to be compensated at the same rates as overtime work on other days.

#### SPECIAL PROVISIONS FOR CERTAIN TYPES OF WORK

Subsection (a) of section 208 of the conference substitute adds a new title IV to the Federal Employees Pay Act of 1945, as amended.

Paragraph (1) of section 401 (a) of the new title IV authorizes agency heads to allow additional annual pay at rates up to 25 percent of base-pay rates, in lieu of all overtime, night, and holiday pay, for

employees who are required, by reason of the duties of their positions, to remain at or within the confines of their stations during longer than ordinary periods of duty but who spend a substantial part of their time on duty in a standby status rather than actually performing work.

Additional annual pay granted under such paragraph (1) will be determined after consideration of the following factors: (1) The number of hours of actual work required in each of such positions, (2) the number of hours required in a standby status at or within the confines of the station, (3) the extent to which the duties of each such position are made more onerous by night or holiday work or by being extended over periods of more than 40 hours a week, and (4) any other factors relative to the determination of such additional annual pay.

Paragraph (2) of section 401 (a) of the new title IV authorizes agency heads to allow additional annual pay at rates up to 15 percent of base-pay rates, in lieu of other pay for irregular or unscheduled overtime duty and for night and holiday duty, for those employees whose hours of duty cannot be controlled administratively and who are required to perform substantial amounts of irregular, unscheduled, overtime and night and holiday duty, each employee generally being responsible for recognizing (without supervision) circumstances which require him to remain on duty. Each such employee will receive other overtime pay, computed in the usual manner, for regularly scheduled overtime work which is officially ordered or approved. Paragraph (2) is designed specifically to permit this form of additional compensation for those investigators of criminal activities whose positions meet all the conditions specified in such paragraph. Paragraph (2) also will permit similar payments to employees in other types of positions with respect to which all these conditions exist in like degree.

Additional annual pay granted under such paragraph (2) will be determined after consideration of the frequency and duration of night, holiday, and unscheduled overtime duty required in each of such positions.

Additional annual pay under the new title IV is subject to the approval of the Civil Service Commission.

It should be noted that under the Senate amendment and S. 2665, as reported to the House, such additional annual pay is to be computed on only that part of the base pay of an employee which does not exceed the maximum scheduled rate of basic compensation provided for grade GS-9 of the Classification Act of 1949, as amended. Under the conference substitute such additional annual pay is to be computed on only that part of the base pay of an employee which does not exceed the minimum (instead of the maximum) scheduled rate of such grade GS-9.

Section 401 (b) of the new title IV as contained in the Senate amendment and S. 2665, as reported to the House, provided that the new title IV shall not apply to fire-fighting personnel. The Senate amendment and S. 2665, as reported to the House, thus excluded fire fighters from those categories of personnel who would be eligible to receive up to 25 percent additional annual pay in lieu of other premium compensation for long periods of standby duty. As a result, fire fighters would have continued to be paid for overtime, night, and holiday duty under provisions (other than the new title IV) of the Federal Employees Pay Act of 1945, as amended, which relate to such duty. This provision was included in the Senate amendment and S. 2665, as reported to the House, in order to prevent a reduction

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in compensation for a number of fire fighters now in the service who are receiving more than 25 percent additional pay by virtue of overtime, holiday, and night differential now authorized.

The conference substitute changes these provisions of the Senate amendment and S. 2665, as reported to the House, by providing that the new title IV shall apply to fire fighters. For the future, the committee of conference agreed that new fire-fighting employees should receive up to 25 percent additional annual compensation in lieu of other premium compensation for their long periods of standby duty, in order to avoid the complexities which arise in attempting to determine premium compensation for night, overtime, and holiday work caused by long periods of standby duty frequently performed by fire-fighting personnel. The committee of conference further agreed, however, that the pay of those fire fighters now in the service who receive more than the 25 percent additional pay provided by the conference substitute should not be reduced. This is accomplished by section 208 (b) of the conference substitute which provides that the provisions of the new title IV added by section 208 (a) of the conference substitute to the Federal Employees Pay Act of 1945, as amended, shall not be construed to decrease the existing aggregate rate of compensation of any present employee. If, however, the position of such present employee should become vacant in the future, any subsequent appointee to such position will receive premium compensation for such position in accordance with the provisions of such new title IV.

Subsection (b) of section 208 of the conference substitute provides that the provisions of the new title IV added by section 208 (a) to the Federal Employees Pay Act of 1945, as amended, shall not be construed to decrease the existing aggregate rate of compensation of any present employee. If, however, the position of such present employee should become vacant in the future, any subsequent appointee to such position will receive premium compensation for such position in accordance with the provisions of such new title IV.

## LIMITATION ON PREMIUM COMPENSATION

Section 209 of the conference substitute amends section 603 of the Federal Employees Pay Act of 1945, as amended, to provide new limitations with respect to receipt of premium compensation which will replace the existing limitations contained in such section 603.

Subsection (a) of such section 603, as so amended, provides that no premium compensation will be paid, under the amendments made by title II of the conference substitute, for overtime, night, or holiday work, to any officer or employee whose rate of basic compensation equals or exceeds the maximum scheduled rate of basic compensation provided for grade GS-15 in the general schedule of the Classification Act of 1949, as amended.

Subsection (b) of such section 603, as so amended, provides that, in the case of any officer or employee whose rate of basic compensation is less than the maximum scheduled rate of basic compensation provided for grade GS-15 in the Classification Act of 1949, as amended, such premium compensation may be paid only to the extent that such payment would not cause his aggregate rate of compensation to exceed such maximum scheduled rate with respect to any pay period.

The amendment made by section 209 of the conference substitute replaces the present ceiling rate of \$10,330 in the Federal Employees Pay Act of 1945, as amended—a former maximum scheduled rate of the former grade CAF-15.

#### WORK SCHEDULES

Section 210 of the conference substitute adds to section 604 (a) of the Federal Employees Pay Act of 1945, as amended, new provisions relating to the scheduling of tours of duty. Except where an agency head determines that his organization would be seriously handicapped in carrying out its functions or that costs would be substantially increased, the new provisions will require such agency head to provide for the following actions and policies with respect to all officers and employees in his organization: (1) Assignments to tours of duty shall be scheduled at least 1 week in advance, (2) the basic workweek of 40 hours shall be scheduled on 5 days (Monday through Friday, if possible) and the 2 days outside the basic workweek shall be consecutive, (3) the working hours on each day in the basic workweek shall be the same, (4) the basic nonovertime workday shall not exceed 8 hours, (5) the basic workweek shall not be altered because of the occurrence of a holiday, and (6) daily tours of duty shall not be split by off-duty periods of more than 1 hour.

It should be noted that existing mandatory scheduling provisions of the Federal Employees Pay Act of 1945, as amended, will continue in effect. Such provisions require agencies to establish a basic workweek of 40 hours and require that the hours of work in such workweek be performed within a period of not more than 6 of any 7 consecutive days.

#### EFFECTIVE DATE

Section 211 of the conference substitute provides that title II of the conference substitute shall become effective at the beginning of the first pay period which begins more than 60 days after the date of enactment of the conference substitute.

#### TITLE III—GOVERNMENT EMPLOYEES' INCENTIVE AWARDS

Section 301 of the conference substitute establishes for title III a short title, the "Government Employees' Incentive Awards Act."

Section 302 of the conference substitute states that the awards program under this title shall be carried out under regulations and instructions issued by the United States Civil Service Commission. It further provides that the Commission shall report the results of the program annually to the President for transmittal to the Congress.

Section 303 of the conference substitute defines the term "department." This section will place all Federal departments and agencies except the Tennessee Valley Authority under the provisions of this title.

Section 304 (a) of the conference substitute authorizes the head of each department to pay cash awards to and incur necessary expenses for the honorary recognition of civilian officers and employees of the Government in the following circumstances:

1. When such officers or employees have contributed to the efficiency, economy, or other improvement of Government operations



by their suggestions, inventions, superior accomplishments, or other personal efforts; or

2. When they have performed special acts or services in the public interest in connection with or related to their official employment.

Section 304 (b) of the conference substitute authorizes the President to pay cash awards to and incur necessary expenses for the honorary recognition of civilian officers and employees of the Government in addition to departmental awards authorized in section 304 (a) in circumstances where such additional awards or recognition are determined by the President to be warranted.

Section 304 (c) of the conference substitute provides that awards authorized in section 304 (a) and 304 (b) may be paid even though the official or employee has died or been separated from the service, provided that the suggestion or other contribution on which the award is based was made while he was in the Government's employ.

Section 304 (d) of the conference substitute provides that a cash award under this section shall be in addition to regular compensation of the officer or employee. It also is designed to protect the United States from a claim of any kind which might arise from the acceptance of a cash award by any employee, former employee, or his heirs or assigns. It should be understood that the inclusion of this subsection in the title in no way implies the existence of a claim against the United States in any case in which the award is not accepted or in which the recipient later deems it insufficient. This carries forward the language in existing law to be found in section 14 of the act entitled "An act to authorize certain administrative expenses in the Government service, and for other purposes" approved August 2, 1946, which section is repealed in section 305 hereinafter.

Section 304 (e) of the conference substitute authorizes departments to pay cash awards and expenses for honorary recognition from their general appropriations. In addition it will permit two or more departments which have benefited from a single suggestion or other contribution to share in the cost of the award granted therefor. The President will determine the proportionate amount that each benefiting department will contribute in the case of those awards he authorizes, and the head of each department will determine the amount of the awards he authorizes.

Section 304 (f) of the conference substitute states that due weight shall be given to awards made under this title in considering employees for promotion.

Section 304 (g) of the conference substitute provides that no cash award paid under this title shall exceed \$5,000, except that in special cases awards of not in excess of \$25,000 may be granted, with approval of the Civil Service Commission, upon certification by the head of the department concerned.

Section 305 of the conference substitute repeals all existing laws governing incentive-awards programs. Section 702 of the Classification Act of 1949, which authorizes within-grade salary step increases for superior accomplishment is among the laws repealed in this section.

Section 306 of the conference substitute provides that the enactment of this title shall not affect the right of any employee to an award granted him under any provision of law repealed by this title.

Section 307 of the conference substitute establishes the effective date of this title as 90 days after its enactment. This will give de-

partments time to revise their awards programs in compliance with the provisions of this title.

The conference substitute adopts the language of the Senate amendment, except for the addition of the monetary limitations in section 304 (g) and the saving clause in section 306 thereof which are discussed above. S. 2665, as reported to the House, contained language which is similar in effect to that of the Senate amendment, and in addition thereto contained the monetary limitations and the saving clause which are included in sections 304 (g) and 306, respectively, of the conference substitute.

#### TITLE IV—UNIFORM ALLOWANCES

Section 401 of the conference substitute establishes a short title, the "Federal Employees Uniform Allowance Act."

Section 402 of the conference substitute authorizes the annual appropriation of funds to Government agencies in amounts up to \$100 multiplied by the estimated number of agency employees (1) who are required by existing regulation or by law to wear a prescribed uniform while on duty and (2) who are not furnished with the required uniform. Under rules issued by the Bureau of the Budget the agency head would have to furnish such uniform, or pay out of such appropriated funds, to each such employee to defray the expense of acquiring such uniform an allowance of not in excess of \$100 per year as prescribed by agency regulations. Any amounts allowed for the same purpose under other law or regulation would be deducted from any allowance paid under this title.

Section 403 of the conference substitute provides that allowances paid under this title shall not be considered as pay, salary, or compensation within the meaning of the Civil Service Retirement Act of May 29, 1930, as amended, or as wages within the meaning of section 209 of the Social Security Act, as amended, or chapters 21 and 24 of the Internal Revenue Code of 1954.

Section 404 of the conference substitute authorizes and directs the Director of the Bureau of the Budget to issue necessary rules and regulations for the administration of this title.

The conference substitute adopts the language of the Senate amendment, except (1) for deletion of a provision therein for use of uniform allowances for upkeep of uniforms and (2) addition of language giving the agency head discretion to furnish such uniforms out of funds appropriated therefor, in lieu of a cash allowance for the purpose. S. 2665, as reported to the House, provided a comparable uniform allowance, but contained no provision which would make the appropriation of funds for the uniform allowances dependent upon a showing of the necessity or desirability thereof.

#### TITLE V—ANNUAL LEAVE

Section 501 of the conference substitute amends section 2 of the act of August 3, 1950, as amended by section 5 of the act of July 2, 1953, which provides, in part, for the lump-sum payment for all accumulated annual leave to survivors of deceased officers and employees in an amount equal to the compensation that the decedent would have received if he had remained in the service until the expiration of the period of such annual leave. Payment under

existing law may be made for current accrued leave only where the total does not exceed 30 days. Section 501 so amends this provision to permit current accrued annual leave to be added to the accumulated leave and be paid in a lump-sum payment even though the total leave equals or exceeds the 30-day maximum.

Section 502 of the conference substitute repeals section 6 of the act of July 2, 1953, which directed departmental heads to take action for the reduction of accumulated annual leave credited to officers and employees which was in excess of amounts allowable under the applicable provisions of section 203 of the Annual and Sick Leave Act of 1951, as amended.

Section 503 of the conference substitute provides that title V shall take effect as of September 1, 1953.

#### TITLE VI—MISCELLANEOUS PROVISIONS

Section 601 (a) of the conference substitute amends section 2 (b) of the Performance Rating Act of 1950 by excluding the Central Intelligence Agency from the application of such act.

Section 601 (b) of the conference substitute repeals section 9 of the Central Intelligence Agency Act of 1949, as amended, which authorizes the Director of the Central Intelligence Agency to establish not more than three positions in the professional and scientific field in such Agency with compensation at rates (subject to Civil Service Commission approval) of not less than \$13,100 nor more than \$15,000 per annum. Such section 9 is no longer needed because of subsequent legislation.

These same provisions are also contained in subsections (a) and (b) of section 601 of the Senate amendment and subsections (a) and (b) of section 602 of S. 2665, as reported to the House.

Section 602 of the Senate amendment repeals section 1310 of the Supplemental Appropriation Act, 1952 (Public Law 253, 82d Cong.), as amended. S. 2665, as reported to the House, contains no comparable provision. The conference substitute modifies such section 1310, in lieu of outright repeal, as follows:

(1) The limitation in such section 1310 on the maximum allowable number of permanent personnel in the Federal Government (that is, the total number of permanent employees on September 1, 1950) is increased by 10 percent;

(2) the prohibition in such section 1310 against permanent reinstatements and permanent promotions is eliminated; and

(3) a new subsection (e) is added to such section 1310, providing that such section does not, and shall not be construed to, amend or modify the Veterans' Preference Act of 1944, as amended.

According to information received from the Civil Service Commission the first two numbered modifications of such section 1310 will permit the Commission to place in effect its proposed program to convert present indefinite employees in the competitive service to a permanent status and to provide a new system of appointments for the future.

The committee of conference understands that such program will include the following principles:

(1) Establishment of a new type of appointment to be designated "career-conditional";

(2) Automatic conversion of each present indefinite appointment, heretofore made in lieu of reinstatement, to a permanent appointment after a total of 3 years of service, or to a career-conditional appointment after a total of less than 3 years of service;

(3) Automatic conversion of each present indefinite appointment which was made after open competitive civil service examination to a permanent appointment after 3 years of continuous service, or to a career-conditional appointment after less than 3 years of such service;

(4) Career-conditional appointments to persons employed in the future after open competitive civil-service examinations, the first year to be a probationary period, such appointments to be converted automatically to permanent after 3 years;

(5) Immediate automatic conversion to permanent appointments of all indefinite appointments received by permanent employees as the result of promotions; and

(6) Continuance as indefinite appointments of present indefinite appointments made without open competitive civil-service examination.

It is understood, also, that Executive Order 10180, dated November 13, 1950, will be rescinded and that a new Executive order will be issued in place thereof to authorize the Civil Service Commission to place its career-conditional program in operation. As pointed out above, under the conference substitute the limitation on the maximum allowable number of permanent Federal personnel applies on a Governmentwide basis, rather than by individual departments and establishments. In accordance with this policy, it is contemplated that neither permanent appointments nor career-conditional appointments will be allocated by the Commission to the various departments and establishments. Thus, both the overall limitation on permanent appointments provided by section 1310 of the Supplemental Appropriation Act, 1952, as amended by the conference substitute, and the giving of career-conditional and permanent appointments under the proposed career-conditional program of the Civil Service Commission will be applied on a Governmentwide basis.

The third numbered modification of such section 1310 is merely a restatement of existing law for purposes of clarification and emphasis.

The conference substitute continues in force provisions of such section 1310 which were designed to assure that the bulge in Federal employment during the present emergency will not be permanent, and which are deemed both appropriate and desirable as a means of congressional control of payrolls during such periods of emergency. Recognition is given to the recommendations in the report accompanying S. 2665, as reported to the House, that Executive Order 10180 should be replaced by a new Executive order which is in harmony with such section 1310 and which provides for a Governmentwide ceiling on permanent appointments rather than a ceiling applied by individual departments and establishments as is the case under Executive Order 10180. Recognition also is given the recommendation in such report that the Civil Service Commission make a beginning on adjustment of the Federal personnel program based upon an actual proposed plan within the framework of the law.

Section 603 of the conference substitute provides that official reporters of the proceedings and debates of the Senate and the employees of such reporters shall be considered to be officers or employees in or under the legislative branch of the Government for the purposes of the

Federal Employees' Group Life Insurance Act of 1954. This same provision is contained in section 603 of the Senate amendment, but there is no comparable provision in S. 2665, as reported to the House.

#### MAIL-MESSENGER SERVICE CONTRACTS

The House bill amended the act of March 3, 1887 (39 U. S. C., sec. 578), which authorizes the employment of mail messengers in the postal service, in order to permit the Postmaster General, in his discretion and under regulations prescribed by him, to readjust the compensation of the holder of any mail-messenger service contract on account of increased or decreased costs occasioned by changed conditions not reasonably foreseeable at the time the contract was entered into. Mail-messenger service contracts provide for transportation of mail between post offices and railroad stations or airports. The Motor Vehicle Service of the Post Office Department provides such transportation in most of the larger cities, while the mail-messenger service contract is used in smaller places. Such contracts, which are awarded by competitive bidding, continue until either the United States or the contract holder gives notice to withdraw and, thereupon, the contract is readvertised for bids. In some cases increased costs of operation which are incurred by holders of such contracts justify increases in their contract compensation. In other cases reduced costs of operation (generally by reason of decreased volume of mail) for holders of such contracts justify reductions in their contract compensation. Existing law does not authorize readjustment of mail-messenger service contract compensation. The contract must be canceled and readvertised for competitive bids. In authorizing the Postmaster General to readjust mail-messenger service contract compensation the House bill follows the policy established by the act of June 19, 1948 (Public Law 669, 80th Cong.), and the act of February 29, 1952 (Public Law 262, 82d Cong.), which authorize the Postmaster General to make such readjustments in the compensation of holders of star route contracts and screen vehicle service contracts. The Senate amendment does not contain any provision relating to mail-messenger service contracts. Section 604 of title VI of the conference substitute retains the above-discussed provisions of the House bill.

The committee of conference recommends a modification of the title of the bill to reflect more adequately the provisions of the bill as agreed to in conference.

EDWARD H. REES,  
JOEL T. BROYHILL,  
TOM MURRAY,  
*Managers on the Part of the House.*

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